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Report of the International Civil Service Commission for 2011

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Report of the International Civil Service Commission for 2011

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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB	United Nations System Chief Executives Board for Coordination
FAFICS	Federation of Associations of Former International Civil Servants
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
PAHO	Pan American Health Organization
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNISERV	United Nations International Civil Servants' Federation
UPU	Universal Postal Union
UNWTO	World Tourism Organization
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

Glossary of technical terms

Administrative place of assignment	See "Special operations approach".
Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.
Best practice	An innovative policy, strategy, programme, process or practice that has a demonstrated positive impact upon performance, is currently being used by at least one major employer and is relevant and applicable to others.
Career development	Career development is a structured approach to the matching of employees' goals and the business needs of the organization. Its purpose is to enhance the job performance of the individual, and prepare individuals to take advantage of future job opportunities. Typically, career development involves three parties: managers who provide guidance and career advice as well as ensuring that staff are provided as many professional development opportunities as possible; human resources departments which disseminate model typical career paths and provide learning programmes targeted at areas of organizational relevance; and staff who are individually responsible for the planning and managing of their careers and for ensuring that they remain professionally relevant by taking advantage of the developmental opportunities offered.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also "Highest paid civil service" and "Noblemaire principle".
Competencies	A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.

Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or "consolidating" it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment classifications at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff.
Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost-of-living between New York and Washington is applied to the comparator salaries to determine their "real value" in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Danger pay	Danger pay is a special allowance established for internationally and locally recruited staff who are required to work in locations where very dangerous conditions prevail.
Dependency rate salaries	Net salaries determined for staff with a primary dependant.
Designated duty stations	Staff may qualify for additional entitlements under the mobility/hardship scheme if the duty stations in which they serve meet certain pre-determined criteria in terms of lack of amenities such as health care, educational facilities, or poor local conditions. Such duty stations are "designated" for the purposes of the mobility/hardship scheme, and the additional entitlements may include reimbursement of the cost of medical examinations for family members, increased boarding allowance, additional education grant travel, and a small freight allowance.
General Schedule	A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.
Group I duty stations	Countries with convertible currencies and where out-of-area expenditures reported by staff members account for less than 25 per cent of the total expenditures.

"H" duty stations under the mobility and hardship scheme	Headquarters locations and locations where there are no United Nations developmental or humanitarian activities or locations which are in countries which are members of the European Union.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.
Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "Comparator" and "Noblemaire principle".
Mobility and hardship allowance	A non-pensionable allowance designed to encourage mobility between duty stations and to compensate for service at difficult locations.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, D.C., is the net remuneration margin.
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".
Non-family duty stations	Duty stations where the United Nations Department of Safety and Security decides that for reasons of safety and security all eligible dependents are restricted from being present at the duty station for a period of six months or longer.
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund. Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.

Performance management	Performance management is a strategic and integrated approach for increasing the effectiveness of organizations by improving the performance of employees and developing the capabilities of teams and individual contributors. It is a strategic management technique that supports the overall objectives of the organization by linking each individual's work goals to the overatl mission.
Place of duty	See "Special operations approach".
Place-to-place survey	Survey carried out as part of the process of establishing a post adjustment index. It compares living costs between a given location and the base city, New York, at a specified date.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Post adjustment classification is based on the cost of living (post adjustment multiplier) as reflected in the respective post adjustment index for each duty station and is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay. The pay index at the duty station would be 100 + 5 or 105.
Separation payments	Upon separation from service, staff may receive compensation for one or more of the following: commutation of annual leave, repatriation grant and termination indemnity. Death grant is payable to the survivor of a staff member.
Single rate salaries	Net salaries determined for staff without a primary dependant.

Special operations approach	Organizations using the special operations approach assign staff required to work in non-family duty stations to a nearby location, known as the administrative place of assignment, with the necessary infrastructure in terms of educational, housing and health facilities to allow such staff and their families to maintain a home base in the region, while the staff member proceeds on travel status to the non-family duty station where (s)he is required to perform official duties, which is referred to as the place of duty. Benefits and allowances, including post adjustment and hardship allowances, are paid at the rate of the administrative place of assignment. To cover the costs of maintaining a second household at the place of duty, staff are paid a special operations living allowance in addition to what they receive at the administrative place of assignment.
Special operations living allowance	See "Special operations approach".
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.

Letter of transmittal

[23 August 2011]

Sir,

I have the honour to transmit herewith the thirty-seventh annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Kingston P. **Rhodes**
Chair

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

A. Conditions of service applicable to both categories of staff

1. Performance management

90 The Commission decided to submit the revised framework to the General Assembly for its approval and to consider the use of merit steps at a future session.

2. Education grant methodology: minimum eligibility age for the receipt of the grant

96 The Commission recommends to the General Assembly that as of the school year in progress on 1 January 2012, the current eligibility requirements as regards the minimum age for the receipt of the education grant should be amended to exceptionally allow for a minimum eligibility age lower than the age of 5 for those educational institutions which, by virtue of law, require an earlier start of formal education. The Commission also recommends that the General Assembly invite the organizations of the common system to amend the minimum age eligibility requirement accordingly in order to harmonize the grant's eligibility requirement.

B. Remuneration of the Professional and higher categories

1. Base/floor salary scale

120 and 121 The Commission decided to recommend to the General Assembly, for approval, with effect from 1 January 2012, the base/floor salary scale and the revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories as shown in annex V to the present report. The Commission also recommended that the staff assessment rates used in conjunction with gross salaries be reviewed every three years and revised as appropriate.

2. Evolution of the United Nations/United States net remuneration margin

132 The Commission reports to the General Assembly that the margin between the net remuneration of the United Nations staff in grades P-1 to D-2 in New York and the United States federal civil service in Washington, D.C., for the year 2011 was estimated at 114.9.

3. Survey and report on diversity in the United Nations common system

145 The Commission decided to inform the General Assembly on the status of geographical distribution in the organizations of the common system and actions being taken by organizations and their governing bodies to achieve geographical balance. The Commission also decided to study the recruitment policies with a view to recommending to the organizations measures that would be more favourable to diversity and to revert to discussing diversity broadly at a later date.

Paragraph reference

C. Conditions of service in the field

Harmonization of the conditions of service for staff serving in non-family duty stations in the common system

Rest and recuperation framework

238 The Commission harmonized the rest and recuperation cycles as reflected in annex VIII and recommends that the General Assembly approve a change from five consecutive working days to five consecutive calendar days, plus approved travel time.

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference

A. Conditions of service applicable to both categories of staff

1. Mobility and hardship scheme — review of the levels

45 The financial implications associated with the Commission's recommendation on increases to the hardship, mobility and non-removal allowances are estimated at $8.9 million for 2012, with an additional $8.3 million associated with approved changes to the hardship scheme. The details are shown in annex III.

2. Danger pay

56 The financial implications of the Commission's recommendations with respect to the payment of danger pay resulted in savings of approximately $19.6 million owing to a reduction in eligible duty stations when compared with duty stations that were eligible for the former hazard pay.

B. Remuneration of the Professional and higher categories

1. Cost-of-living surveys at headquarters duty stations and Washington, D.C.

108 The financial implications associated with the decision of the Commission regarding the implementation of the 2010 place-to-place survey results for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., were estimated at $7.5 million per annum, effective 1 April 2011.

2. Base/floor salary scale

112 The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex V are estimated at approximately $65,000 per annum system-wide.

C. Conditions of service in the field

Harmonization of the conditions of service for staff serving in non-family duty stations in the common system

Establishing unified special operations living allowance rates

244 The impact of establishing unified special operations living allowance rates in non-family duty stations includes a projected reduction in costs of approximately $700,000 annually.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

2. To date, 13 organizations[1] have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances. One other organization,[2] although not having formally accepted the statute, participates fully in the work of the Commission.

B. Membership

3. The membership of the Commission for 2011 is as follows:

Chair

Kingston P. Rhodes (Sierra Leone)***

Vice-Chair

Wolfgang Stöckl (Germany)**

Members

Yevgeny V. Afanasiev (Russian Federation)*
Marie-Françoise Bechtel (France)***
Fatih Bouayad-Agha (Algeria)*
Shamsher M. Chowdhury (Bangladesh)*
Minoru Endo (Japan)**
Carleen Gardner (Jamaica)***
Lucretia Myers (United States of America)**
Emmanuel Oti Boateng (Ghana)***
Gian Luigi Valenza (Italy)**
Gilberto C. P. Velloso (Brazil)**
Wang Xiaochu (China)*
Eugeniusz Wyzner (Poland)***
El Hassane Zahid (Morocco)*

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* Term of office expires on 31 December 2012.

** Term of office expires on 31 December 2013.

*** Term of office expires on 31 December 2014.

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[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO and UNWTO.

[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2011, the seventy-second, which was held from 22 March to 1 April at United Nations Headquarters in New York, and the seventy-third, which was held from 18 to 29 July at the United Nations Educational, Scientific and Cultural Organization (UNESCO) headquarters in Paris.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are considered in the present report.

D. Programme of work of the Commission for 2012-2013

6. The programme of work of the Commission for 2012-2013 is contained in annex I.

Chapter II
Reporting and monitoring

A. Actions taken by the General Assembly and the legislative/governing bodies of the other organizations of the common system on the recommendations of the Commission

7. The Commission considered a report on decisions and resolutions of relevance to its work, adopted by the General Assembly and other legislative/governing bodies of the common system. The report highlighted the presentation by the Chair of the Commission of the thirty-sixth annual report of the Commission to the Fifth Committee of the General Assembly (A/65/30) and relevant aspects of Assembly resolutions 65/248, dealing with human resources management in the United Nations common system, and 65/247, dealing with human resources management in the United Nations Secretariat. Decisions taken by the Executive Boards of the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO), the Executive Committee of the Pan American Health Organization (PAHO), the Assembly of the International Civil Aviation Organization (ICAO) and the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) were also brought to the attention of the Commission.

Discussion in the Commission

8. With respect to the issues surrounding harmonization and the establishment of a rest and recuperation framework, the spokesperson for the Human Resources Network reported that the Network had already initiated consultations with the secretariat of the Commission on the modalities of promulgating such a framework.

9. Representatives of organizations in which rest and recuperation breaks were mandatory, including the World Food Programme (WFP) and UNICEF, argued that since subsistence should no longer be paid, it would become difficult to insist that staff members take these breaks. Implementation of this aspect of General Assembly resolution 65/248 would therefore, in their view, necessitate a review of the current policy.

10. The representative of the Federation of International Civil Servants' Associations (FICSA) expressed disappointment with the decisions taken by the General Assembly on the issue of the harmonization of non-family duty stations. He said FICSA was concerned about the ability of the specialized agencies and the funds and programmes to operate effectively. In this regard, he called for timeliness and urgency in dealing with the issues of rest and recuperation and the review of the mobility hardship scheme, given the fact that Assembly resolution 65/248 had resulted in the suspension of payments of daily subsistence allowances effective 1 July 2011. With regard to the issue of continuing contracts, he said he was disappointed that staff members in the international tribunals and locally recruited staff in field missions were excluded from consideration. He observed that a number of those missions had been in place for several years and were expected to continue operation. He therefore called for a review of the matter.

11. The representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) reiterated the Committee's disagreement with the Commission's proposal to the General Assembly

on the harmonization of conditions of service in non-family duty stations. She noted an apparent strengthening of the Commission's role, based on the resolutions under discussion, and expressed the hope that the Commission would continue to work cooperatively with staff. She resolved to keenly monitor, on behalf of the body's constituents, the implementation of Assembly resolution 65/248 and in particular the unintended consequences deriving from the halting of subsistence payments to staff while on rest and recuperation breaks.

12. The spokesperson for the United Nations International Civil Servants Federation (UNISERV) noted that there had not been a numeric quantification of the 15 per cent of extrabudgetary posts at the P-1 and P-2 levels allocated to the young professionals programme. He expressed the opinion that it was virtually impossible to manage a variable number of posts without the necessary strategic workforce planning. He stated that he strongly disagreed with the view, put forward by the Administration of the United Nations, that performance was the main criterion for granting the continuing contract appointments. He felt that this was not supported by the points system outlined in General Assembly resolution 65/247, which in his view showed that the process would be dominated by mobility.

13. The Commission expressed concern about the lack of details on the decisions and/or resolutions of the legislative bodies of the organizations and the small number of organizations reporting. To facilitate more robust reporting and provide more context, the Commission considered that its secretariat should use a web-based system for collecting the information from the organizations. Questions were raised on the lack of information on steps taken by organizations to implement the Commission's decisions. The secretariat clarified that such information was usually presented to the Commission during its summer session, in a separate document focusing on that issue. It was suggested that the secretariat should issue guidance to the organizations on the implementation of the decisions and recommendations of the Commission.

14. The Commission took note of the General Assembly's decision to discontinue subsistence payments to staff during rest and recuperation breaks as well as of its request that the Commission regulate the rest and recuperation framework and submit to it recommendations on a common system harmonized subsistence allowance at its sixty-seventh session, in 2012.

15. There was also some discussion surrounding the Assembly's request that the Commission consider standards of conduct in the context of the Commission's 2011 programme of work and report thereon. The Commission clarified the approach to be taken by the secretariat.

Decisions of the Commission

16. The Commission decided:

(a) To request its secretariat to develop a web-based questionnaire with a view to providing more robust reporting and more meaningful analysis on the decisions of the legislative/governing bodies of the organizations;

(b) To request its secretariat to continue to provide guidance to organizations in the implementation of the Commission's decisions;

(c) To create a working group to examine and update the Commission's Standards of Conduct in accordance with the request of the General Assembly.

B. Monitoring of the implementation of decisions and recommendations of the International Civil Service Commission by organizations of the United Nations common system

17. Under article 17 of its statute, the Commission submits an annual report to the General Assembly that includes information on the implementation of the Commission's decisions and recommendations by the organizations of the common system. Since 1993, comprehensive implementation reports have been submitted to the Assembly in keeping with the biennialization of the programme of work of the Fifth Committee, as established in Assembly resolution 47/216. The last report from the organizations was in 2009.

18. The Commission had before it information relating to decisions and/or recommendations taken in 2009 and 2010 and matters on which implementation was pending or for which updated information had been requested. The report covered information from 22 organizations of the common system. The Commission noted the response rates and status of implementation of the organizations. It was of the view that there was scope for improvement in the actual implementation of decisions and recommendations. It also took note of the other issues related to the implementation, as reported.

Decision of the Commission

19. The Commission decided to request its secretariat to compile a more complete report on its recommendations concerning the three types of contracts and the phasing out of appointments of limited duration in the common system.

Chapter III
Conditions of service applicable to both categories of staff

A. Mobility/hardship scheme

1. Review of the mobility and hardship scheme

20. The current mobility and hardship scheme was established by the Commission in 1989. It was approved by the General Assembly in its resolution 44/198 as part of the package of measures emanating from the 1989 comprehensive review of conditions of service of staff in the Professional and higher categories. Since then, the Commission has carried out several reviews of the scheme in order to assess its operation and to respond, inter alia, to concerns raised by the Assembly.

21. In 1992, the Commission reviewed the operation of the scheme, including conducting a cost-benefit analysis (see A/47/30 and Corr.1, paras. 253-283), and subsequently reported that the scheme was, in general, operating satisfactorily in relation to its stated objectives and that the costs of the scheme appeared to be in line with the levels foreseen at the time of its introduction. In its resolution 47/216, the General Assembly took note of the Commission's conclusions and of the intention of the Commission to conduct a follow-up review, and requested that the review include a precise quantification of the cost savings and that the Commission report to the Assembly at its fifty-first session, in 1996.

22. In 1996, the Commission carried out its first major review since the introduction of the scheme. Areas covered in the review included the utilization of the scheme by the organizations, costing, information about the experience of the organizations and options for possible modification. On the basis of the extensive data and the detailed information provided, the Commission concluded that the overall cost of the scheme was reasonable and that the scheme had been intended not as a cost-saving measure but as an improvement to a set of allowances that carried a certain price (see A/51/30, paras. 275-276). Further, the Commission reported that the organizations had expressed unanimous satisfaction with the functioning of the scheme, which they found to be a useful and efficient management tool that had fulfilled its aims.

23. The 1996 review was followed by another review in 2003, which set the stage for the 2005 recommendation by the Commission that a new adjustment mechanism be set up to delink the allowances from the base/floor salary scale and replace them with flat amounts (see A/60/30 and Corr.1, paras. 64-79). Following approval by the General Assembly in resolution 61/239, the flat amounts, which were to be reviewed every three years, came into effect on 1 January 2007.

24. During the 2008 review of the scheme by the Commission, at its sixty-seventh session in 2008, the flat amounts were readjusted for a further three years starting in 2009 and the Commission examined implementation issues that the organizations had been experiencing since the introduction of flat amounts (see A/63/30, paras. 80-94). The Commission decided to include a number of specific factors for consideration during the 2010 review of the mobility and hardship scheme (see A/63/30, para. 94), and this was subsequently approved by the General Assembly in resolution 63/251.

25. In 2009, at its sixty-ninth session, the Commission endorsed a road map for the conduct of this work in two phases. The first phase, to be completed by 2010, would consist of a review of the scheme and its methodology; the second phase, for completion by 2011, would consist of a review of the procedures for the hardship classification of duty stations, which would coincide with the revision of the amounts due for implementation in 2012. The Commission also decided to include the issue of hazard pay in the current review and to discuss the additional boarding costs accorded to staff in designated duty stations under the mobility and hardship scheme.

26. In order to conduct the review of the mobility and hardship scheme, at its sixty-ninth session the Commission established a working group comprising representatives of the Commission, its secretariat, the Human Resources Network of the United Nations System Chief Executives Board for Coordination (CEB), organizations and staff federations. According to its terms of reference, the Working Group on the Review of the Mobility and Hardship Scheme would consider the following, among other factors:

(a) An overall evaluation of the scheme and its operation to determine whether it continued to achieve its purpose and intent;

(b) An examination of the effectiveness and impact of the revised scheme on mobility;

(c) The rationale for paying a mobility allowance to staff in "H" and "A" category duty stations;

(d) A review of the relativities between the amounts applicable to the grade-level groupings in order to ensure that the mobility of more senior staff, in particular, was adequately incentivized;

(e) An examination of the need to revise the five-year ceiling on the payment of the mobility allowance;

(f) A re-examination of the three adjustment factors, and any weighting of them or their replacements;

(g) A discussion of the issue of the additional education grant entitlements (boarding costs and additional educational travel) accorded to staff in designated duty stations;

(h) A review of hazard pay in relation to the hardship allowance;

(i) A review of specific aspects of the hardship classification system;

(j) A review of the system used to measure the hardship classification of duty stations.

27. The Working Group met on three occasions and reported on its progress to the Commission following its first and second meetings at the Commission's seventieth and seventy-first sessions, respectively. A report containing the consolidated recommendations of the Working Group was presented to the Commission at its seventy-second session.

Discussion in the Commission

28. When the mobility and hardship scheme was introduced in 1990, it was decided that a certain category of duty stations would remain outside the hardship scheme. This category was defined as locations where the United Nations had neither developmental nor humanitarian programmes and included all locations where the United Nations system maintained headquarters and which were labelled as being in a separate "H" category. With the expansion of the European Union, in 2004 the Commission decided to expand the "H" category to cover all duty stations in countries that were members of the European Union (see A/59/30 (vol. I), para. 78). With that decision, duty stations in Eastern European countries that had been classified as field duty stations became "H" category duty stations. The Commission noted that the change in classification from field duty station to "H" category under the mobility and hardship scheme had resulted in reductions in mobility allowances and assignment grants for staff serving in those duty stations. The Commission also recognized that accession to the European Union was a long process that included the fulfilment of certain criteria. In view of the high standards set by the European Union, the Commission agreed to maintain its previous definition of "H" category.

29. The Human Resources Network emphasized the importance of the mobility component of the mobility and hardship scheme with respect to compensating staff for the disruption of moving from duty station to duty station with their families, as well as the hardship component, which compensates staff for serving in difficult duty stations. Further, it noted that the United Nations was no longer mainly moving staff from headquarters to field locations and back again, as it did in the past, and, therefore, that the payment of mobility allowance to staff in "A" and "H" duty stations was critical to incentivize mobility among all duty stations. The Network strongly supported the recommendation to review those "H" category duty stations that were not headquarters duty stations and that were located in countries where United Nations developmental and/or humanitarian activities were conducted, with a view to ensuring that they continued to be correctly classified.

30. The three staff federations — FICSA, CCISUA and UNISERV — raised concerns about the definition of "H" category duty stations, noting that the definition did not always reflect the realities on the ground. Further, the federations stated that political considerations should not be part of the classification of a duty station and expressed scepticism about the validity of the classification of duty stations in some European countries as belonging to the "H" category. Taking into consideration recent recruitment patterns, the staff federations expressed the view that a staff member should not have to take up a fourth assignment to qualify for mobility to an "H" category duty station if he or she had already completed two assignments in duty stations belonging to the "A" to "E" categories. The staff federations cautioned against disincentivizing staff in the field from accepting an assignment to headquarters duty stations and pointed out that field experience was an integral part of an organization's work and contributed to the staff members' effectiveness. Regarding the replacement of hazard pay by the introduction of danger pay, FICSA pointed out that the sixty-fourth FICSA Council had noted a lack of clarity in the actual impact on staff of the proposed change, which was not limited to mere nomenclature, and reiterated the need to monitor the transition, making known in advance the criteria for classification of duty stations formerly entitled to hazard pay under the danger pay scheme.

31. The Commission expressed its appreciation for the work of the Working Group and concluded that it was too early to measure or draw any conclusions on the impact of the revised mobility scheme, but recognized that the scheme continued to be important for incentivizing the mobility of staff and especially for incentivizing staff to serve in hardship duty stations. The Commission, however, emphasized the need for any future assessment of the scheme to be based on a well-defined methodology. It also highlighted the need to systematically capture required data and information for such an assessment to be meaningful. In order to have an overview of all benefits in the field, some members felt that it would be useful to compare the full package of benefits paid to United Nations staff with the benefits paid to similarly situated employees of the comparator civil service.

32. There was a feeling that the impact of the allowances under the mobility and hardship scheme had become somewhat diluted by introducing monthly payments. It was also recalled that the original intent of the Commission was to pay amounts upfront. After noting that the upfront payment of the allowances could be problematic to some organizations owing to practical challenges in recovering payments, the Commission agreed that organizations should determine the most appropriate method for paying allowances to staff based on their individual funding structures and cash flow.

33. The Commission was informed that the mobility allowance was paid as of the second assignment at "A" to "E" category field duty stations, while at "H" category locations staff must have had at least two previous assignments at "A" to "E" locations before receiving mobility allowance, which was only paid from the fourth assignment. In all cases, staff only become eligible for mobility allowance after having served for at least five consecutive years. In addition, the mobility allowance would be discontinued after the fifth year in any one location. The Commission recognized that while the main purpose of the mobility scheme was to encourage staff to work in hardship duty stations, mobility also served other purposes, such as career development for staff, cross-fertilization of talent and facilitation of inter-agency mobility. Hence, the mobility allowance was only one of the tools developed to support mobility policies practised by the organizations. Therefore, the organizations should also implement complementary measures to encourage staff to move from headquarters to the field, as well as from the field to headquarters. It was also recalled that under the terms of General Assembly resolution 64/247, mobility was a contributing factor in the granting of continuing appointments in the United Nations Secretariat. Due to the fact that currently more and more staff are recruited in the field than in the headquarters, some Commission members felt that the requirement for qualifying for the mobility allowance should be applied uniformly across all duty stations and that a fourth assignment should not be required for staff to qualify for the mobility allowance at an "H" category duty station after having completed two assignments in "A" to "E" category duty stations, as long as the five-year service requirement had been met. Other members were of the view that mobility was a built-in requirement for international staff and that the mobility element should be payable only for assignments to field locations, as an incentive to serve in the field, particularly at more difficult duty stations. In line with the diversity of views, the Commission agreed that no changes would be made at this time.

34. It was further recalled that single staff were paid 75 per cent of the dependency rate for the mobility, hardship and non-removal allowances under the scheme. Some

members were in favour of paying single staff at the same rate as staff with dependants, while others were of the view that it was reasonable to maintain a differentiation between single and dependency rates as they reflected a common practice in Member States' taxation regimes and for reasons relating to spouse employment, as well as recognizing the impact that moving from one location to another had on the whole family.

35. The Commission agreed with the recommendation that the term "hazard pay" be changed to "danger pay" and that the new criteria for the payment of a danger pay allowance should replace the current hazard pay. The Commission noted that, based on the new criteria, danger pay would apply as additional compensation over and above what was provided for under the security factor in the hardship scheme only in extraordinary situations where staff were at high risk of becoming collateral damage (namely, locations where very dangerous conditions prevailed) and in situations where they were the direct targets of violence (namely, in acts of terror committed against staff precisely because of their employment by an organization of the United Nations common system). The intention of the Commission was for the transition from hazard pay to danger pay to be cost-neutral and for the question of danger pay to be finally decided upon at the Commission's seventy-third session.

36. The Commission recalled that the hardship allowance was a non-pensionable allowance designed to compensate for the degree of hardship experienced by staff assigned to difficult duty stations and that it was payable to internationally recruited staff on an assignment for a duration of one year or longer. Further benefits could be applied, depending on the particular circumstances of a duty station, including accelerated home leave travel, additional educational travel, additional reimbursement of school boarding costs, reimbursement of the cost of basic medical examinations for accompanying eligible family members and additional travel freight entitlement. Under the current scheme, the conditions of life and work for international United Nations staff at a given location are evaluated on the basis of seven hardship factors: security, health, housing, climate, local conditions, isolation and education. The assessment scales of individual hardship factors vary from "A" to "D". A combination of the individual factor-ratings result in an overall hardship rating of "A" to "E". The current criteria that determine the overall rating of the hardship classification of a duty station on the basis of the assessment of these individual hardship factors had been approved by the Commission in 1981. At that time, the Commission also decided that the criteria applied to determine the overall classification of duty stations and the scoring method should be kept confidential and therefore should not be published (A/35/30). The Commission reconfirmed that decision.

37. The Commission agreed with the Working Group's recommendation to retain all the present hardship factors, but with recommended changes to the relative weights. It also recognized that the recommended rating scales for housing, isolation, local conditions and security were the same as those it had established at the time of the hardship classification system's inception. The Commission recognized the enhanced value of security in the scheme and welcomed the new rating scales for climate and health factors while noting that, in the past, only qualitative assessments had been made for those two factors and that rating scales had not been used. The Commission agreed to the recommended amendments to the current criteria and considered that the refinement to the criteria would address

current problems of the hardship classification system in a consistent manner and also enhance its credibility among its stakeholders.

Decisions of the Commission

38. The Commission decided:

The mobility/hardship scheme

(a) That each organization should determine how it can best administer the payment of the mobility and hardship elements;

(b) To request its secretariat to conduct a further assessment of the impact of the revised scheme on mobility once it has been in place for a period longer than a typical assignment length, that is, no earlier than at the time of the third review of the amounts, in 2015;

(c) In accordance with General Assembly resolution 65/248, the Commission requested the organizations and the secretariat of the United Nations System Chief Executives Board for Coordination to work closely with the ICSC secretariat to systematically collect and report on data. This collaborative effort would allow for a more meaningful analysis of the use and impact of specific allowances and other cross-cutting initiatives, such as the harmonization of conditions of service in non-family duty stations;

(d) To define "H" category duty stations as headquarters and similarly designated locations where the United Nations has no developmental or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union;

(e) To request its secretariat, in consultation with the organizations of the United Nations common system, to conduct a formal review of all "H" category duty stations and all field duty stations in which organizations of the common system continue to maintain humanitarian or developmental activities for that country, with a view to determining the correct classification of those countries and duty stations, and to report thereon to the Commission at its seventy-fourth session;

(f) Not to change the current modalities for payment of mobility allowance for service in "H" and "A" duty stations, at this point in time;

(g) To maintain, for the time being, the current relativities between the amounts applicable to the grade-level groupings in the mobility/hardship scheme;

(h) To maintain the current relativities for single and dependency rates in the mobility/hardship scheme;

(i) To maintain the current five-year ceiling on the payment of the mobility allowance but to permit, in the exceptional case of staff members who remained at the same duty station at the explicit request of the Organization or for compelling humanitarian reasons, the payment of the full mobility allowance for a maximum period of one additional year;

(j) To maintain a pragmatic approach to reviewing the amounts payable under the mobility/hardship scheme every three years, using inter alia the three adjustment factors as a reference. The Commission noted that the movement of the base/floor salary scale was the most stable factor over time;

Additional education grant travel entitlements (additional boarding and additional education grant travel) accorded to staff in designated duty stations

(k) To maintain the current criteria for the payment of additional boarding costs in designated duty stations, noting that they responded to a real need, but with the proviso that staff for whom suitable and adequate education for their children was available in the curriculum and language of instruction offered in the duty station of the parent be excluded from eligibility;

Hazard pay and danger pay

(l) To discontinue hazard pay and introduce danger pay on the basis of the revised criteria as set out in annex II to the present report, effective 1 January 2012, in order to allow for a timely transition from hazard pay to danger pay;

Hardship classification system

(m) To request its secretariat and its Working Group for the Review of Conditions of Life and Work in Field Duty Stations that all duty stations be reviewed, with or without the use of a questionnaire;

(n) To maintain all the current hardship factors but to make a change in their relative weightings (except for education, as it is not included in the scoring);

(o) To establish rating scales for the individual hardship factors as recommended by the Working Group. Further, in accordance with the Commission's decision, the details of the scoring system for the hardship classification should be kept confidential and not be published;

(p) To approve the change in the current weighting scheme of individual hardship factors and the modifications to the current criteria as recommended by the Working Group. Further, in accordance with the Commission's decision, the details of the scoring system of hardship classification should be kept confidential and not be published;

(q) To implement the revised hardship classification system on 1 January 2012.

2. Review of the level of the mobility, hardship and non-removal allowances

39. At its seventy-third session, the Commission reviewed an analysis of the application of three adjustment factors prepared by its secretariat. The three adjustment factors reviewed were as follows:

(a) Movement of the net base salary plus post adjustment at headquarters duty stations, which produced an increase of 7.33 per cent;

(b) Movement of the out-of-area index, which produced an increase of 2.63 per cent;

(c) Movement of the base/floor salary scale, which produced an increase of 5.44 per cent.

40. In addition to the above, the Commission reviewed the following three options, which used as a basis the preceding factors and results for increasing the

current flat amounts of allowances under the mobility and hardship scheme for implementation on 1 January 2012.

(a) *Option 1*: During the first review in 2008, the Commission considered the movement of the net base salary, the most stable of the three adjustment factors, as the point of departure and rounded it up to 5.00 per cent for increasing the flat amounts of allowances under the mobility and hardship scheme. If the same approach were applied to the results of the current review, one option would be to give main consideration to the net base salary, which would result in a 5.00 per cent increase by rounding it down from 5.44 per cent;

(b) *Option 2*: The General Assembly, in its resolution 65/248, encouraged the Commission to continue to coordinate and regulate the conditions of service of staff of the organizations of the common system, bearing in mind the limitations imposed by Member States on their national civil services. In line with the resolution and taking into account current financial realities, another option would be to consider 75 per cent of the movement of the net base salary, which would result in a 4.00 per cent increase;

(c) *Option 3*: During the current review, the movements of two adjustment factors (namely, the net base salary plus post adjustment and the out-of-area index) were found to be lower compared with their movements at the last review. The Commission, at its seventieth session, emphasized the need to maintain a pragmatic approach to reviewing the amounts while taking all three adjustment factors into account, while also noting that the movement of the base/floor salary scale was the most stable factor over time. In order to accommodate the observed reduction in these two adjustment factors at the current review, by assuming that the same proportion applies to the results of the current review, an increase of 2.64 per cent, or a rounded up increase of 3.00 per cent, could be obtained.

Discussion in the Commission

41. The Human Resources Network highlighted the importance of having a clear basis to explain any decisions taken by the Commission for the review of the level of amounts payable under the mobility and hardship scheme. It also urged the Commission to employ a clear, simple and consistent methodology based on stable indicators for future calculations. As such, it supported a methodology that takes into account the three indicators recommended by the Working Group on Mobility and Hardship in 2005. FICSA and CCISUA noted that, once again, the movement of the base/floor salary scale remained the most stable reference point, and suggested that it be used once again to increase the levels of allowances for reasons of consistency. Given this reality, they suggested revisiting the question of delinking the mobility, hardship and non-removal allowances from the base/floor salary scale.

42. The Commission noted that of the three factors, the movement of the base/floor salary scale for the Professional and higher categories was the most stable. It also noted that the other two adjustment factors, namely, the average movement of net base salary plus post adjustment in the eight headquarters of the United Nations system and the movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries, showed a significant reduction compared with the results of the last review in 2008 as they are more volatile over time, in particular with reference to inflation and exchange rate fluctuations.

43. The Commission was of the view that the methodology did not prescribe any specific weighting of the three adjustment factors, but rather that all three factors should be reviewed holistically in order to provide an indication of whether any adjustments were warranted, and if so, in what magnitude through a pragmatic approach. Further, the Commission recalled that during its recent comprehensive review of the mobility and hardship scheme in 2010, it had re-examined the three adjustment factors and reaffirmed their continued use as references to guide it in making a decision. At its seventieth session, the Commission decided to maintain a pragmatic approach to reviewing the amounts payable under the mobility and hardship scheme every three years, taking all three adjustment factors into account, while noting that the movement of the base/floor salary scale is the most stable factor over time.

44. While the three adjustment factors provided points of reference for a decision on the amount of the adjustment, the Commission emphasized that its decision should also take into account the guidance provided by the General Assembly in its resolution 65/248. In line with the resolution and taking into account the current realities, most members considered that an increase of about 2.5 per cent would be reasonable. Some members considered that the increase should be 2.64 per cent, as described under option 3 in paragraph 40 above. One member was of the view that the increase of levels should be equal to the lowest movement of all three factors — the movement of the out-of-area index — which would result in an increase of 2.63 per cent, as this approach, in his view, would be within the approved methodology. Another member recommended an increase of 2.56 per cent based on half of the straight average of the three adjustment factors. The Commission considered all points of view and agreed on a 2.5 per cent increase.

45. The Commission noted that an overall increase of 2.5 per cent as of 1 January 2012 would result in an additional estimated cost of $8.9 million for the year 2012. Further, it noted that in addition to this cost, the approved changes to the hardship scheme approved by the Commission at its seventy-second session would also represent an estimated cost of $8.3 million for the year 2012. These estimates were based on the current flat hardship amounts, using staff data for 2010, and the assumption that the hardship ratings of field duty stations effective 1 January 2011 remain unchanged during the year 2012. The revised amounts of allowances under the mobility and hardship scheme with a 2.5 per cent increase, rounded to the nearest 10 dollars, are reproduced in annex III to the present report.

46. The Commission discussed whether to recommend the same percentage adjustment for all three elements of the mobility and hardship scheme (mobility, hardship and non-removal) or whether each element could, or should, be adjusted separately. Some members highlighted the distinct difference between hardship and mobility and, therefore, the need for having separate schemes of mobility and hardship. It was agreed, however, that with a view to maintaining simplicity, all three elements would at this point in time be adjusted by the same percentage rate. The Commission also noted that the same increase would be applied to the recently approved additional non-family hardship element for staff serving in non-family duty stations as it falls under the mobility and hardship scheme.

Decisions of the Commission

47. The Commission decided:

(a) To grant a 2.5 per cent increase for the hardship allowance, the mobility allowance and the non-removal allowance, respectively, for implementation on 1 January 2012 (see annex III for revised amounts of allowances under the mobility and hardship scheme);

(b) That the additional non-family hardship element for staff serving in non-family duty stations should be adjusted by the same percentage as the hardship, mobility and non-removal allowances, for implementation on 1 January 2012.

3. Danger pay

48. The Commission considered the following three methods for establishing the level of danger pay, effective 1 January 2012.

Method 1: Same adjustment methodology as for the mobility and hardship scheme

49. In 2005, the Commission decided[3] that hazard pay should be reviewed and adjusted using the same three-year cycle and the same factors as those which applied to the allowances for mobility, hardship and non-removal. The same reference indicators could be considered for danger pay.

50. In line with the decision by the Commission to recommend an increase of 2.5 per cent for the mobility and hardship scheme, an increase of 2.5 per cent to the current level of hazard pay for internationally recruited staff ($1,365 per month) would result in a revised amount of $1,400 per month. Hence, one option would be to establish the level of danger pay at $1,400 per month for internationally recruited staff effective 1 January 2012.

Method 2: The Afghanistan model of exceptional measures

51. In response to a request from the United Nations after the attack on a United Nations guest house in Kabul in 2009, the Commission had approved a temporary and exceptional payment replacing hazard pay for staff who remained on duty in Afghanistan. Under this specific measure, $2,000 per month was paid for internationally recruited staff, recognizing that they faced additional danger while awaiting improvements to residential security. In that case, the United Nations staff were under a distinctly higher level of risk as they were directly targeted by terrorist attacks.

52. The Afghanistan situation was therefore very similar to the approved criteria for danger pay (which also referred to staff being direct targets) and it might, therefore, be appropriate to consider an option of establishing the level of danger pay for internationally recruited staff at $2,000 per month effective 1 January 2012.

[3] *Official Records of the General Assembly, Sixty-third Session, Supplement No. 30* (A/63/30), para. 147.

Method 3: Redistribution of the savings gained from the revised criteria for danger pay

53. Due to the inherent difference in the criteria for hazard pay and danger pay, there will be a reduction in the number of locations that would be eligible for danger pay as opposed to hazard pay. To ensure cost neutrality, a redistribution of the savings obtained through discontinuing hazard pay and introducing danger pay might be another option for consideration. In that case, danger pay for internationally recruited staff could be $2,065 per month.

Discussions in the Commission

54. The Human Resources Network welcomed the fact that danger pay would be payable to international and locally recruited staff on a continuous basis. It hoped that the amount would not be fixed in perpetuity and that the Commission would establish a methodology for regularly updating it. Further, the Network emphasized that streamlined payment was the most efficient way of administering the entitlements and would prefer to maintain the current policy of monthly payments where absences of up to seven days would not be counted. That approach would be in line with the streamlined business process that many organizations had put in place for payment of salaries and allowances. It also expressed the hope that while fewer countries would receive danger pay, considering the importance of security for staff serving in the most high-risk duty stations, the new model would redistribute the current financial resources to those serving in the most high-risk duty stations.

55. The Network also considered that it was important that there be equity between international and locally recruited staff. In that regard, it was suggested that the Commission consider applying the anticipated savings to the locally recruited staff. While that view was shared by the three staff federations, FICSA, CCISUA and UNISERV, they also expressed disappointment with the considerable reduction in the number of duty stations eligible for danger pay owing to the new criteria. They noted that this reduction included some subjective elements that would require clarification. Their members called for clear, coherent and consistently applied methodologies when developing and implementing adjustments to entitlements.

56. The Commission noted that, based on the new criteria, danger pay would apply only in extraordinary situations where staff were at high risk as a direct consequence of their employment by the United Nations common system. It also recognized the fact that the number of recipients of danger pay would be substantially reduced for recipients of current hazard pay. The Commission was in agreement that the level of danger pay should be higher than the amount based on method 1 ($1,400/month). It was also of the view that the Afghanistan model (method 2) should not be used as a precedent as it had been approved only as an exceptional and temporary special measure. Further, the Commission regarded that method 3 should not be considered as an option because it would not be an easy task to make a precise estimation of cost savings because the movements of staff in the field as well as the security situation on the ground were constantly changing. After considering the three options and taking into account General Assembly resolution 65/248, the Commission agreed to establish the level of danger pay at $1,600 per month for internationally recruited staff, effective 1 January 2012. Given the reduced number of duty stations and internationally recruited staff receiving the allowance, savings of approximately $19.6 million per annum would accrue system-wide.

57. The Commission noted that according to its approved payment modality for both internationally and locally recruited staff, danger pay would not be paid for days spent away from the duty station during annual leave or any type of special leave and official travel outside the duty station, including weekends and holidays falling during this period. In that regard, some members considered that danger pay should still be paid if such absences did not exceed seven consecutive days. Other members believed that the current payment modality should be maintained whereby days away from the duty station would not be paid except for absences of up to seven days for purposes of rest and recuperation and official duty travel. These members believed that continued payment of danger pay during a period of rest and recuperation would serve as a motivation for staff to use their rest and recuperation. Further, a reduction in emoluments was viewed as inappropriate when the staff member was to bear some of the cost of the rest and recuperation. The Commission was in agreement that such paid absences should also include authorized leave under the rest and recuperation framework.

58. The Commission noted that currently the hazard pay was paid to locally recruited staff members serving in designated locations at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale. Members were also of the view that the level of hazard pay granted to locally recruited staff was not static since it was adjusted automatically whenever the salary scales were adjusted, namely, following comprehensive salary surveys and the interim adjustments of salary scales between comprehensive surveys. The Commission agreed to consider delinking danger pay from the salary scale of locally recruited staff. Pending the review of danger pay for local staff, the Commission agreed to establish danger pay at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale and adjustments would be made as they were under hazard pay.

Decisions of the Commission

59. The Commission decided:

(a) To establish, effective 1 January 2012, the level of danger pay for internationally recruited staff at $1,600 per month;

(b) To apply, effective 1 January 2012, the payment modalities set out in annex II. Danger pay, unlike hazard pay, would be paid for time away from the duty station on rest and recuperation travel and official duty travel up to a maximum of seven consecutive calendar days;

(c) To request its secretariat to conduct a study of the methodology for establishing the level of danger pay for locally recruited staff and report thereon at its seventy-fifth session in the 2012;

(d) To review the levels of danger pay for internationally recruited staff every three years;

(e) To establish, pending a review and as an interim measure, the level of danger pay at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale and adjustments would continue to be made as the salary scales were revised.

B. Review of pensionable remuneration

60. The review of pensionable remuneration was started by the secretariat of the Commission in conjunction with the secretariat of the United Nations Joint Staff Pension Fund. The Commission reviewed the analysis prepared by its secretariat on each of the seven items approved by the Commission at its seventy-first session in July/August 2010 (see A/65/30, paras. 84-92).

61. The review was the first occasion for a comparison of the income replacement ratios of the Pension Fund defined benefit scheme and that of the United States Federal Employees Retirement System, which was a three-tiered retirement scheme containing a defined benefit plan, a social security component and a thrift savings plan introduced in 1987.

62. The overall review revealed some inconsistencies and a number of recommendations were presented in order to:

(a) Bring the common scale of staff assessment closer in line with outside taxes and to reflect the effect of the one-to-one interim adjustment procedure on the machine scale;

(b) Compare the United States and United Nations income replacement ratios;

(c) Reduce the income inversion phenomenon;

(d) Improve the income replacement ratios of the United Nations Joint Staff Pension Fund, considering the fact that the comparison had revealed higher-income replacement ratios under the United States scheme;

(e) Harmonize components of the pensionable remuneration among common system organizations in order to bring them in line with article 54 of the Pension Fund Regulations;

(f) Reaffirm that double taxation was a misconception;

(g) Initiate the review of small pensions.

Discussion in the Commission

63. The Human Resources Network took note of the report while indicating that it looked forward to continuing to engage in the process.

64. In the view of FICSA, with the first phase of the study completed by the secretariats of the Commission and the Pension Fund, the time had arrived to establish a working group to allow for participation of all parties in this major exercise. While noting that the Pension Fund had cautioned against any changes because of the deficit situation of the Fund, FICSA indicated that, of the options presented under the review of the common scale of staff assessment, its preference was to bring the scale in the highest correlation with average outside taxes. It also supported the review of the grossing-up factor for Professional staff but stressed that any changes should not be at the expense of staff in the lower-income brackets. With regard to the cost comparison, FICSA was of the view that it was of limited use and indicated its preference to remain with the income replacement analysis or use a cost/benefit approach. FICSA still believed that the issue of double taxation existed. It also supported the two-stage approach on the review of small pensions and

emphasized that this was a matter of urgency. With regard to the specific issue of the pensionable service differential applied to some of the staff in specialist jobs at FAO and WFP, the General Secretary of the Union of General Service Staff of FAO and WFP expressed the view that the differential should continue to be pensionable because it compensated for regular tours of duty that were longer than those on which the salary scale in Rome was based and that many staff had contributed to the Pension Fund but were now unlikely to receive the benefit of those contributions. FICSA supported the statement further, explaining that the differential addressed the continued need for work in excess of the regular work week by certain categories of staff in Rome which was not covered by overtime, shift or night differentials, and affirming that, by its very nature, regular work should be pensionable.

65. CCISUA supported the statement by FICSA and also requested that a working group be established. Like FICSA, CCISUA believed that the issue of double taxation still existed. The representative recommended that any decisions be postponed until a joint review had been conducted.

66. UNISERV also supported the statement of FICSA but added that the Pension Fund system should not be compared with the United States Federal Employees Retirement System, as the United States system had changed from a defined benefit scheme to a scheme that included a thrift savings plan, which could be viewed as outsourcing a component of the fund. The representative of UNISERV questioned the effect that the adoption of the United States model based on a single currency would have on the two-track system. He further suggested that any increase in the staff assessment rate would result in a reduced benefit for General Service at the time of retirement unless the period to reach the 66.25 per cent benefit were reduced from 35 to 32 years.

67. The representative of the Federation of Associations of Former International Civil Servants (FAFICS) expressed keen interest in the question of small pensions, as it affected more than 1,700, or 3 per cent, of beneficiaries, most of whom resided in countries in Africa and Asia. The representative informed the Commission that there had not been a formal review of the special adjustment of small pensions since 1995, nor had the methodology set out in annex III, section E, of the Pension Fund Regulations been applied. FAFICS supported the proposal for a two-stage approach and suggested the inclusion in the study of 10 duty stations where 40 or more recipients of small pensions resided. These countries were Bangladesh, the Democratic Republic of the Congo, Egypt, Ethiopia, India, Kenya, Nepal, Pakistan, Senegal and Sri Lanka. FAFICS was of the view that the review of small pensions was an urgent matter and requested that proposals be made available by the time of the Pension Board's meeting in July 2011. FAFICS asked that cost implications be set aside at this stage so that a thorough examination could be carried out.

68. The representative of FAO explained how the service differential came about for certain occupational groups that systematically covered the organization for 24 hours through tours of duty of 8 hours each, rather than the normal 7.5-hour work day. The representative said that the decision to make service differential pensionable was beneficial to both the staff and the Organization. While this practice had been in effect since 1975, the representative indicated that pursuant to the request of the Chief Executive Officer of the Pension Fund, FAO had put an end to it as of 1 September 2010. About 100 staff members had been receiving the service differential. Some of them accepted settlements, those who were due for

retirement were not affected by the decision and others decided to appeal the process.

69. On this issue, the representative of the United Nations system stated that it should not be left to individual organizations to determine which allowances should be made pensionable or non-pensionable. The representative also expressed concern regarding the review of the United States Federal Employees Retirement System and its comparison with the United Nations pension scheme. She felt that the Federal Employees Retirement System scheme was founded on a completely different premise from the United Nations pension plan. It was not a pure pension scheme and therefore the information on it was not pertinent to the United Nations pension scheme.

70. The Commission thanked the secretariat for its effort in presenting a review of a highly technical matter. Members of the Commission, while taking note of the recommendations provided regarding the common scale of staff assessment, noted the concern expressed by the General Assembly in its resolution 65/249 regarding the result of the 2009 actuarial valuation of the Pension Fund, which revealed a deficit of 0.38 per cent of pensionable remuneration, the first deficit in seven consecutive actuarial valuations. They also noted that the implementation of any of the options to address the issues identified would add to the deficit situation of the Fund. A detailed review of this complicated technical information should be conducted and also complemented with further research.

71. As regards the review of the income replacement ratios, the Commission noted the difficulties in calculating these ratios owing to the significant differences between the two pension schemes. It was therefore of the view that, as a step forward, a clear and precise methodology should be developed that would explain how the comparison of the schemes would be undertaken. It believed this was necessary, as the United States scheme comprised three different components, none of which had a common denominator. Members added that the development of a simple and transparent methodology based on equity would necessitate the use of all available resources, including external expertise.

72. On the issue of using cost to the employer as a means of comparing the schemes, the Commission was of the view that an appropriate methodology should be developed for making these comparisons before any meaningful conclusions could be drawn. Several members of the Commission expressed concern about the possible loss of the current comparator, as the schemes were now so different. They suggested that, as an alternative, other methods should also be explored so that a viable method of comparing the two plans could be found. A member recalled, as had been noted during the seventy-first session of the Commission, that looking at other pension schemes was not an option. It was also pointed out that any change in the approach to comparing the schemes would affect the present methodology for total compensation comparisons conducted under the Noblemaire study. In view of the problems identified during this phase, the Commission considered it necessary to expand the study and explore alternative methods. In this connection, it asked its secretariat to prepare a workplan indicating how the review would proceed.

73. Regarding service differential, the Commission noted that the Rome-based organizations, pursuant to the request of the Chief Executive Officer of the Pension Fund, had ceased the practice of making service differential pensionable as of 1 September 2010. It also noted that FAO was in the process of compensating staff

members who had been affected by that decision. The initial inclination of the Commission was to continue to allow the Rome-based organizations to make service differential pensionable pending a review of the issue. However, based on additional information furnished by the Pension Fund during the course of its session in which it had indicated that it could not allow one member organization to continue with a practice that was in direct violation of the Pension Fund Regulations, the Commission concluded that the decision to treat service differential as non-pensionable would remain in place pending its review during the next comprehensive salary survey in Rome during the second quarter of 2012.

74. In addition to the problems highlighted above, members of the Commission expressed concern about a number of other related issues. One concern was the use of single versus dependency rates for the General Service and Professional staff assessment rates. They requested a re-examination of the underlying principles to this approach. As regards income inversion, members of the Commission pointed out that the income inversion phenomenon was not meant to be a permanent feature and that every effort should be made to eliminate it. They would not be satisfied with merely reducing income inversion, stating that staff receiving the same salary should receive the same pension. In the same context, the secretariat was asked to reconsider the grossing-up factors taking into consideration the average number of years of contributory service in the United Nations as well as the basis on which the decision was made to set the grossing-up factors at 46.25 and 66.25 for the Professional and the General Service categories, respectively. Another concern highlighted by the Commission was the use of a simple average of the tax rates at the eight headquarters duty stations for development of the common scale of staff assessment. However, one member of the Commission questioned the logic of such a decision in the belief that there were far more retirees living in non-headquarters duty stations than at headquarters duty stations.

75. The Commission supported the proposed two-phase approach to small pensions proposed by the Pension Board and asked its secretariat to provide the required assistance before the Pension Board meeting in July 2011.

Decisions of the Commission

76. The Commission requested its secretariat to continue its review of pensionable remuneration in accordance with the following workplan:

Phase I: development of a methodology for comparing schemes

(a) As a priority measure, the secretariats of the Commission and the Pension Fund, with the assistance of the United States Office of Personnel Management, will meet to identify the elements to be considered in drafting a new methodology that would permit comparison of the United States and United Nations pension plans;

(b) Any approach recommended should recognize and address all of the distinctly different features of the United Nations and United States plans rather than using only those features found to be common to both plans. In developing the new methodology, the principles of simplicity, transparency, equity, reliability, sustainability and predictability will be borne in mind. The proposals of the secretariat of the Commission for comparing the two pension plans will be presented to the Commission for consideration at its seventy-fourth session, in 2012;

Phase II: overall review of pensionable remuneration methodologies

(c) The establishment of a working group will be considered in order to conduct an overall review of and make recommendations on the methodologies used in determining the pensionable remuneration scales of the Professional and General Service categories, taking into account General Assembly resolutions 48/225 and 51/217. The following items may be considered for the review:

(i) Elements used to calculate pensionable remuneration that contribute to the current income inversion between the General Service and Professional scales of pensionable remuneration and options for eliminating the inversion;

(ii) Alternatives to the current approach and a logical basis for the use of the dependency tax rates versus the single tax rates in constructing the common scale of staff assessment, with particular attention to equity among participants;

(iii) Review of the relationship between the actual average years of service for staff at the time of retirement versus the assumptions made in establishing the grossing-up factors, with a view to eliminating the anomaly between the rate used for the General Service category and that of the Professional category in order to create greater equity between the two categories of staff;

(iv) The feasibility of, and possible recommendations for, using national tax rates and weightings that would more accurately reflect the choices that staff actually made regarding where they choose to live upon retirement;

(d) Owing to the technical nature of the review, consideration could be given to utilizing all available resources, including external expertise, to successfully complete the review tasks;

(e) Initial proposals will be submitted to the Commission in 2012. Upon review by the Commission, the issue will be reviewed again by the Pension Board in 2012 and finalized by the Commission in 2013.

77. With respect to the non-pensionable component, the Commission decided that no changes would be introduced at the present stage. However, the issue would be included in the overall review of pensionable remuneration.

78. Regarding the service differential, the Commission, recalling article 54 of the Pension Fund Regulations, took note of the decision of the Chief Executive Officer of the Pension Fund to request that the Rome-based organizations stop the practice of making service differential pensionable, pending a review of service differential during the next comprehensive salary survey in Rome during the second quarter of 2012.

C. Performance management

79. In its resolution 63/251, the General Assembly stressed the importance of developing mechanisms for better differentiating levels of performance and requested the Commission to work closely with organizations to identify workable means of rewarding performance and to submit an updated performance management framework to the Assembly. The Commission therefore decided to keep the issue of performance management under review and requested its

secretariat to update the performance management guidelines it had set out in 1997, with emphasis on culture and environment and on the leadership that must come from the top level of each organization to sustain such an environment.

80. During its seventy-first session, the Commission considered a document from its secretariat containing the results of its consultations with organizations and staff and setting out the elements of the updated framework. The framework would stress the values that the Commission had outlined in the Framework for Human Resources Management, adopted in 2000, which defined performance management as an ongoing process that covered the duration of the staff member's stay within the organization. The point was made that engaging and motivating staff and dealing with incidents of underperformance or poor performance could only be addressed through good quality management. The Commission requested its secretariat to fine-tune the elements of the framework and present the updated framework in a format that was more accessible and user-friendly.

81. At its seventy-third session, the Commission reviewed a refined version of the framework, the elements of which had been presented at its seventy-first session. The framework emphasized the need for staff to work in a supportive and trusting environment and to have a clear understanding of what was expected of them if they were to be engaged and motivated. Certain "enablers" were outlined in the framework for organizations to consider putting in place if performance management was to be successfully implemented. These included: a results-oriented culture in which staff understand what they should be doing and are given the opportunity to make decisions about their work, a system of governance under which staff are managed respectfully through procedurally fair and transparent processes, a comprehensive communication strategy and useful reliable data backed up by appropriate technology. The framework also referred to developing a capable, motivated workforce and linking outcomes to resources. The framework further identified key players and outlined their roles in successful performance management.

82. With regard to reward and recognition for exceptional work, the framework promotes a "culture of appreciation" that would encourage staff members to recognize colleagues for outstanding work or behaviour. It outlined ways of rewarding staff that organizations could adapt to suit their own organizational culture and needs. As requested by the Commission, there were proposals concerning guidelines for the use of merit steps to reward exceptional performance.

83. The Commission further revised the framework originally put forward by the secretariat. The approved framework document is attached in annex IV to the present report.

Discussion in the Commission

84. The Human Resources Network welcomed the framework; however, there was a need for further refinement. The Network emphasized that learning and development constituted a critical pillar of modern performance management. The Network also questioned the legal implications of certain proposals contained in the reward framework. The Network strongly supported the premise that performance management and development would necessitate a shift in culture that emphasized support mechanisms rather than punishing ineffective performance. The framework was intended to be a general tool that individual organizations would be able to

adapt to suit their particular needs. Some organizations felt that the approved version of the framework seemed balanced and reflected their basic principles. Doubt was expressed, however, as to whether the strategy set out in the document was adequate for the enforcement of a culture of performance.

85. The representatives of FICSA and CCISUA recalled the global staff survey that had been conducted by the secretariat of the Commission in 2008/2009, which had indicated that staff members who were seeking to leave the United Nations had cited lack of opportunities for growth and development as one of the factors that had influenced their decision. In this regard, the two staff federations felt that not much had changed. They further cautioned that administrations should work closely with staff and managers to develop acceptable reward systems. The staff federations supported the present system of annual pensionable increments and believed that rewards should be additional, fully funded and stable and should focus on teamwork. Decisions concerning the recipients of rewards should be made by a committee including staff representatives. The two federations objected to specific suggestions of non-monetary rewards and disagreed with the argument in the proposed framework that staff members were responsible for their own academic and professional development as well as the suggestion that organizations could use training or development opportunities as part of their reward scheme. They maintained that the organizations also had a responsibility for continued investment in staff's professional development and that the organizations had a particular responsibility to offer a framework for learning and development of their staff, thereby ensuring the best services for their constituents. Pointing to recent rulings of the ILO Administrative Tribunal, the right of staff members to appeal in the context of performance appraisal was emphasized.

86. The representative of UNISERV, while welcoming the performance management framework, pointed to the lack of funding for training and learning purposes. The representative stated that promotion was non-existent in the organizations and the "rank-in-post" way of moving forward was particularly arduous. Furthermore, UNISERV was of the opinion that career development for staff had become non-existent as it was not properly monitored in the organizations and that human resources departments were not implementing succession planning. UNISERV agreed that certain aspects of the framework should be strengthened. Although it supported its objectives fully, it feared that the framework would not be implemented at all levels and would remain instead "a declaration of intent".

87. The Commission recalled that the guiding principles established over a decade ago remained valid and had been incorporated in the performance management systems of most organizations. However, some areas needed to be strengthened, such as placing more emphasis on the "buy-in" and strong commitment of executive management to change the organizational culture for the implementation of an effective performance management system. Other areas included more guidance on ratings, which should be simple; enforcing good assessment practices; and workforce planning. It was generally agreed that the framework should be value-based and should clearly focus on the importance of creating a motivational working environment and the definition of a performance culture. Organizations were expected to develop linkages to the framework. Hence, items such as the number of rating steps depended on the internal dynamics of an organization. One member stated that since performance management operated at both the individual and the organizational levels, the Commission had a role in defining not just the parameters

but also specific aspects of performance assessment. Therefore, the framework needed to specifically address individual performance measures such as 360-degree appraisal. Others agreed with this view and felt that the framework would have benefited from a discussion on good principles and best practices in rating and timing of the evaluations.

88. There was some discussion on the correlation between motivation and the type of contract held by the staff member. It was suggested that the Commission may wish to conduct a further study on promotions and the duration of contracts and how these contributed to motivation and performance improvement. The Commission was committed to implementing the framework, monitoring its implementation periodically and raising the matter with the High-level Committee for Management, as necessary.

89. With respect to financial rewards and merit steps, it was observed that financial rewards might be difficult to administer. It was also suggested that organizations should make better use of the existing provisions of the salary scales. The Commission did not hold further discussions on the proposed reward and recognition framework and decided to postpone the discussion on the use of merit steps to a later session.

Decisions of the Commission

90. The Commission decided:

(a) To submit the revised framework to the General Assembly for its approval;

(b) To consider the use of merit steps at a future session.

D. Education grant methodology: minimum eligibility age for the receipt of the grant

91. In response to a request from CEB, the Commission addressed the issue of the minimum eligibility age requirement for receipt of the education grant. The request was driven by the HarmoS-Konkordat, an inter-cantonal agreement on the harmonization of compulsory education in Switzerland, which came into effect on 1 August 2009. One of the changes expected under this agreement was the extension of compulsory education to children 4 years of age. This change applied to public schools only and did not affect private educational institutions. In view of this, an amendment to the current minimum eligibility age for the receipt of the grant was proposed so as to exceptionally allow common system organizations to lower the minimum eligibility age for receipt of the education grant from 5 years of age if laws at specific locations mandated an earlier start of formal education.

Discussions in the Commission

92. The Human Resources Network thanked the secretariat for responding promptly to its request and supported the proposal in principle while suggesting a drafting amendment to the actual wording of the amended minimum eligibility age criteria.

93. The three staff federations welcomed the proposed amendment to the minimum eligibility age criteria. The representative of CCISUA, speaking on behalf of his organization as well as FICSA, also emphasized that the proposal was fully in keeping with the principles underlying the scheme. It was intended to cover a very limited scope, primarily those children who were engaged in mother-tongue education. The representative of UNISERV, in addition, stressed the need to apply the change to other locations, where parents might in the future be faced with similar changing laws.

94. The Commission, while noting that a full review of the education grant methodology was scheduled for a later date, agreed that the change in the Swiss public school regulations providing for an earlier start of formal education merited an immediate review of the eligibility criteria for the receipt of the education grant. It was pointed out that the purpose of the proposal was not to expand the coverage of the scheme but merely to react to a legislative change which could put a group of affected staff at a disadvantage vis-à-vis all other staff in the common system. At the same time, the costs relating to the proposed change needed to be minimized and, in this context, it was agreed that this change in eligibility criteria should be allowed only in respect of those educational institutions where an early start of formal education was a legal requirement.

95. With regard to the financial implications, members of the Commission noted the minimal financial impact that the change would have on the common system organizations considering the limited number of children who would be affected and the fact that the majority of costs related to education in the mother tongue.

Decisions of the Commission

96. The Commission decided to recommend to the General Assembly that for the school year in progress on 1 January 2012:

(a) The current eligibility requirements for the receipt of the education grant should be amended as follows:

Minimum age: The child is in full-time attendance at an educational institution at the primary level or above while the staff member is in the service of the organization. Education shall be deemed "primary" for the purposes of this criterion when the child is 5 years of age or older at the beginning of the school year or when the child reaches the age of 5 within three months of the beginning of the school year. **Exceptionally, a lower minimum eligibility age could be accepted for those educational institutions which, by virtue of law, require an earlier start of formal education;**

(b) The organizations of the common system should be invited to amend the minimum eligibility age requirement accordingly in order to harmonize the grant eligibility criteria.

Chapter IV
Conditions of service of the Professional and higher categories

A. Identification of the highest-paid national civil service under the Noblemaire principle

97. In accordance with the mandate provided to it under General Assembly resolution 44/198, the Commission periodically conducts studies to determine the highest-paid national civil service under the Noblemaire principle. The studies required comparison of compensation packages of national civil services, which could potentially replace the current comparator of the United Nations common system. According to the methodology approved by the Assembly in resolution 46/191, a group of possible comparator national civil services is selected based on the established criteria. The services are compared, initially, in terms of net cash compensation and then, if necessary, in terms of total compensation.

98. A new Noblemaire study commenced in 2010. Ten national civil services had been selected for the analysis: Australia, Belgium, Canada, France, Germany, the Netherlands, Norway, the Republic of Korea, Spain and the United Kingdom of Great Britain and Northern Ireland. The cross-country comparison of net compensation across these services and the United States federal civil service, the current comparator, was conducted and the results presented to the Commission at its seventy-second session for consideration and guidance. The results of the comparison were as follows:

Percentage differences in adjusted cash compensation

Country	*Percentage below the United States*
Belgium	11.6
United Kingdom of Great Britain and Northern Ireland	13.2
Netherlands	22.0
Canada	25.0
Australia	27.1
Norway	29.3
France	36.2
Germany	37.9
Spain	44.9
Republic of Korea	65.0

Discussion in the Commission

99. The Human Resources Network took note of the completed phase of the study and looked forward to the total compensation analysis. At the same time, the representative of the United Nations system expressed surprise that Belgium, which had been excluded from the study in 2006 owing to its salary levels, had again been proposed for inclusion.

100. CCISUA favoured the continuation of the study and further analysis of some of the national civil services reviewed under the first phase of the exercise. FICSA

and UNISERV, while noting the conclusions of the study, questioned the accuracy of the simplified approach to compare the adjusted net cash compensation levels. In their view, weighted average cash compensation at the lowest and highest levels of each civil service, equivalent to those posts in the Professional and higher categories in the United Nations common system and based on the numbers of staff at the respective levels, would have been more appropriate than the simple averages used in the analysis. FICSA also noted that the highest and midpoint levels of gross and net compensation of Belgium, Norway and the United Kingdom of Great Britain and Northern Ireland, before being adjusted by the cost-of-living differentials, surpassed those of the United States federal civil service, supporting the continuation of the study. FICSA further suggested that the identification and quantification of cash and non-cash compensation elements should include those characterized as social welfare, such as health insurance, parental leave, extended unemployment benefits, childcare, and national pension/social security, provided by national civil services, which would produce a more comprehensive and accurate picture.

101. The Commission noted the abbreviated scope of the initial phase of the Noblemaire study. It was pointed out that the use of only cash elements of compensation, limited number of grades and jobs covered by the comparison, simple averages and proxy indicators used to adjust the remuneration levels by differences in cost of living could all have had an impact on the result of the comparisons. In this connection, some reservations were expressed as to the accuracy of some of the job matches established for the salary comparisons. One member noted that in the prior review salaries in Belgium had been 32 per cent lower at the minimum of the pay range and 46 per cent lower at the maximum of the pay range than those of the comparator United States federal civil service. Some members also pointed out that while the overall numbers of staff in the reviewed national civil services appeared large enough for a meaningful comparison, that may no longer be the case if only positions comparable to those in the Professional and higher categories were taken into account. One member noted that this was true in the case of Belgium, where only 15,000 positions were found to be in the Professional category during the last comprehensive study. That meant that the number of the possible comparators should be further reduced.

102. It was recalled that, under the approved methodology, the net total cash comparison was by definition an elimination exercise that was designed to narrow down the range of potential comparators by way of an abbreviated evaluation of key parameters rather than by resorting to a comprehensive cost- and labour-intensive and time-consuming analysis. Although, owing to the approximate nature of the phase I analysis, the results of the comparison were likely to be amended by a total compensation study, the initial abbreviated study was considered a useful tool in screening the potential comparators and establishing their relative standing. Only when the net cash remuneration levels were deemed to be reasonably close to those of the present comparator, should the follow-up full-scope study proceed. In this regard, the Commission noted the large gaps found between the levels of net cash compensation between the existing comparator and the other national civil services as shown in the table above. One member of the Commission was surprised that total after-tax remuneration only was chosen as the basis of the comparison, while in the case of many national services this net remuneration did not reflect the social payments and this distorted the comparison. Based on the information provided,

most members were of the view that those gaps were not going to be bridged by the other total compensation elements included in the total remuneration.

103. The Commission further acknowledged the economic background of the current study. It was noted that national civil services were reacting in different ways to the ongoing financial crisis. For example, while some resorted to pay freezes, others chose to maintain salary levels but reduced the number of their staff. Specific individual measures undertaken by respective Governments to cope with their budgetary concerns would inevitably have had an uneven impact on remuneration levels. The Commission therefore concluded that it would not have been opportune to proceed to phase II at that time.

104. Based on the information provided, the Commission saw no reason for proceeding with a continuation of the study at the current juncture.

105. Finally, the Commission expressed its appreciation to representatives of those national civil services who had participated in the exercise for their cooperation and for providing the necessary information and data.

Decisions of the Commission

106. The Commission decided:

(a) That the current Noblemaire study should not proceed to phase II, noting that the comparison result showed that the current comparator paid the highest level of cash compensation and that the percentage differences with other civil services seemed too large to be offset by other compensation elements, and thus the current comparator would be retained;

(b) That it would carry out another study to determine the highest-paid national civil service no later than the next Noblemaire study, scheduled for 2016.

B. Post adjustment matters

Report of the Advisory Committee on Post Adjustment Questions at its thirty-third session

107. As part of the operation of the post adjustment system, comprehensive place-to-place surveys are conducted periodically at all duty stations. Such surveys are organized in rounds of five years, and each round of surveys is launched with baseline surveys at all headquarters duty stations and Washington, D.C. In this connection, place-to-place surveys were conducted by the Commission in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., in September and October 2010. A price collection exercise for New York, the base of the post adjustment system, was carried out in June for most items, and in September and October 2010, for seasonal clothing items and items subject to the new approach to cost-of-living measurement, which is based on real-time price comparisons with New York. Documentation dealing with the surveys was examined by the Advisory Committee on Post Adjustment Questions at its thirty-third session, in January 2011, and the Advisory Committee's recommendations regarding the results of the surveys were considered by the Commission.

108. The estimated financial implications, based on the implementation of the survey results effective 1 April 2011, totalled approximately $7.5 million per year.

This estimate could vary significantly up or down, depending on the exchange rate movement of the local currencies of the designated duty stations relative to the United States dollar.

Decisions of the Commission

109. The Commission decided:

(a) To approve the results of the 2010 place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as recommended by the Advisory Committee, which are set out in the table below;

(b) That the 2010 survey results for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., should be taken into account in determining their respective post adjustment classification with effect from 1 April 2011;

(c) That additional place-to-place surveys should be conducted for Bulgaria, Hungary, Poland and Romania in the middle of the present round of surveys.

Summary of the results of the 2010 cost-of-living comparisons between New York and Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as of the survey date

Duty station	*Month of survey (2010)*	*Exchange rate*	*Existing post adjustment index*	*Existing multiplier*	*New post adjustment index*	*Post adjustment index change (percentage)*	*Classification change (percentage)*
Geneva	September	1.026	182.82	85.0	182.88	0.03	—[a]
London	September	0.644	158.61	58.6	169.41	6.81	6.81
Madrid	September	0.787	144.93	45.0	146.27	0.92	0.88
Montreal	September	1.053	152.31	52.9	157.14	3.17	2.77
Paris	September	0.787	153.86	54.7	158.64	3.11	2.55
Rome	October	0.735	158.22	59.9	161.92	2.34	1.26
Vienna	October	0.735	158.91	62.3	160.10	0.75	—[a]
Washington, D.C.	October	—	141.87	42.6	144.90	2.14	1.61

[a] New post adjustment index lower than existing pay index.

C. Base/floor salary scale and review of staff assessment rates used in conjunction with gross salaries

110. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale is set by reference to the General Schedule salary scale of the comparator civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively). The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, namely, by increasing base salary while commensurately reducing post adjustment levels.

111. The Commission was informed that, as a result of the implementation of a pay freeze, the gross levels of the General Schedule of the comparator would not be adjusted between 1 January 2011 and 31 December 2012. However, a slight change in the federal tax rate schedule, as well as for personal exemptions and standard deductions, had occurred as of 1 January 2011, with taxes for the states of Maryland and Virginia and in the Federal District of Columbia remaining unchanged. Despite the pay freeze, the change in the federal tax rates resulted in an increase of the reference comparator pay level in net terms, which amounted to 0.13 per cent as compared with the 2010 level.

112. As the amounts of separation payments are linked to the base/floor salary scale, the increase in the base/floor scale resulted in the following financial implications:

	United States dollar
(a) For duty stations with low post adjustment where net salaries would otherwise fall below the level of the new base/floor	0
(b) In respect of the scale of separation payments	64 600
Total annual financial implications	**64 600**

113. As part of the present review, the Commission also considered a request from the United Nations to revise the rates of the staff assessment. This request was made to address the surplus that had accumulated in the Tax Equalization Fund, in particular, in the sub-account of the United States of America. According to estimates by the United Nations, a 15 per cent reduction in staff assessment revenue was required to address this problem.

Discussion in the Commission

114. The Human Resources Network took note of the technical readjustments to the Tax Equalization Fund and the increase of the base/floor salaries. It urged the Commission to establish a mechanism for regular dialogue with the United Nations Controller on the level of the Tax Equalization Fund and any periodic adjustments that may be required.

115. The representative of FICSA, also speaking on behalf of CCISUA, stated that while they knew they were not immune to the economic difficulties that many Member States were experiencing, the staff of the common system felt frustrated at the current situation and perspectives related to the base salary. As an example, he referred to the decision of the Commission not to proceed to phase II of the study of the best paid national civil service despite the requests of the staff and not to schedule the next study until 2016. He also pointed out that, according to available information, the remuneration of the field-based staff of the current comparator was considerably higher than that of the United Nations staff, but that the matter was unlikely to be addressed. He added that the "no loss/no gain" adjustment seemed to be the only salary increase the Professional staff received and that the amount gained was always deducted from the post adjustment so there was no gain. He quoted the words of the 1945 Preparatory Commission of the United Nations, whereby the Commission recommended that the "salary and allowance scales for the staffs of the United Nations and the various specialized agencies ... should compare

favourably to those of the most highly paid home and foreign services, due account being taken of the special factors affecting service in the United Nations".

116. The representative of UNISERV noted the impact of the pay freeze by the comparator on the level of separation payments that were linked to the base/floor salary. He stressed that the proposed adjustment of the staff assessment rates for the purposes of the Tax Equalization Fund should not affect the pensionable remuneration of staff and suggested that these rates should be reviewed when appropriate.

117. The Commission observed that the proposed adjustment of the base/floor salary scale was in line with the established methodology, noting that this adjustment would be implemented by increasing salary by 0.13 per cent while commensurately reducing the post adjustment multiplier. As a result, there would be no change in net take-home pay. The system-wide financial implications relating to the revision of the separation payments schedule were relatively low owing to the minimal movement of the scale.

118. With regard to the revision of staff assessment rates used in conjunction with gross salaries of the Professional staff, the Commission noted that the proposal before it had been developed in full cooperation with the Office of the United Nations Controller. It was also confirmed that this measure had no relation to the common scale of staff assessment used for pensionable remuneration and would have no impact on pensionable remuneration, which the Commission was in the process of reviewing jointly with the United Nations Joint Staff Pension Board. As the purpose of the present exercise was to address the surplus of the Tax Equalization Fund, the revision of the staff assessment rates for gross salaries, which were used exclusively for generating the Fund's resources, was the appropriate approach for resolving this issue in line with the established practice. The proposed revision was aimed at achieving the required 15 per cent reduction in revenue.

119. Considering that replenishment of the Tax Equalization Fund and disbursements made from it were driven by different factors, the Commission was of the view that the rates of staff assessment for gross salaries should be regularly monitored and reviewed.

Decisions of the Commission

120. The Commission decided to recommend to the General Assembly for approval with effect from 1 January 2012:

(a) The revised base/floor salary scale for the Professional and higher categories as shown in annex V to the present report, reflecting a 0.13 per cent adjustment implemented by increasing the base salary and commensurately reducing post adjustment multiplier points;

(b) The revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories of staff as set out in annex V. The revised rates would be calculated and added to the net dependency rates of salaries to determine the corresponding gross salary levels. The staff assessment amounts for single staff would be computed by subtracting the net single rate from the gross salary at each grade and step in the salary scale.

121. The Commission also decided that the staff assessment rates used in conjunction with gross salaries be reviewed every three years and revised as appropriate.

D. Evolution of the United Nations/United States net remuneration margin

122. Under a standing mandate from the General Assembly, the Commission continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of the United States federal civil service employees in comparable positions in Washington, D.C. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of the United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States federal civil service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington, D.C.

123. The Commission was informed that for the calendar year 2011, no general or locality pay increase had been granted to comparator federal employees in the Washington, D.C., area as a result of a statutory pay freeze introduced by the President of the United States of America for the period beginning on 1 January 2011 and ending on 31 December 2012.

124. Also relevant to the comparison were the following:

(a) The revision of federal tax brackets and standard and personal deductions, which resulted in a small reduction in income taxes for all taxpayers in the Washington, D.C., metropolitan area,

(b) A post adjustment multiplier of 61.3 for January through July 2011 and an estimated multiplier of 63.1 for August through December 2011. The multipliers were based on the current net base/floor salary scale that became effective on 1 January 2011;

(c) The matrix of grade equivalencies between the United States federal civil service and the United Nations common system approved by the Commission at its seventy-first session in 2010;

(d) A cost-of-living differential between New York and Washington, D.C., estimated at 112.7.

125. On the basis of the above, the margin for 2011 was estimated at 114.2, with its five-year average (2007-2011) standing at 114.

Discussions in the Commission

126. The Human Resources Network took note of the slight increase in the estimated margin level and urged the Commission to draw the attention of the General Assembly to the fact that, since 1997, the margin average had been consistently below the desirable midpoint.

127. The representatives of FICSA, CCISUA and UNISERV also noted the margin estimate and expressed their concern regarding the fact that the margin level for the past 20 years had not reached the desirable midpoint, that it had typically ranged

from 111 to 114 over the past 15 years and that the desired midpoint of 115 remained a theory. CCISUA and FICSA also pointed out that the situation was even worse at the P-4 level, which represented the greatest weight for the calculation of the overall ratio. CCISUA and FICSA recalled that since 2009, the annual adjustments for Professional salaries in the United Nations had been based on the locality pay of United States federal civil service employees working in the geographical area known as the "Rest of the United States". The Washington-based locality pay had now been extended to federal employees posted overseas (in accordance with the findings of the 2011 report of the Government Accountability Office on the subject of Department of State overseas comparability pay). They therefore suggested that Washington, D.C., locality pay be used as the point of reference for determining the margin.

128. The Commission took note of the developments in the comparator federal civil service, the projected changes in the levels of net remuneration in the common system and other factors relevant to the margin comparison. It was observed that over recent years, the net remuneration margin was gradually increasing and that, presently, both its calendar year level and the five-year average were close to the desirable midpoint of 115. In this connection, no action to adjust the margin was required.

129. The Commission also noted that the margin forecast was based on an estimated August-December 2011 post adjustment multiplier in New York. Should the actual multiplier, which would become known at a later stage, be different from the estimated one, the Chair of the Commission, in accordance with the established practice, should report this to the General Assembly when introducing the Commission's annual report (see paras. 132 and 133).

Decision of the Commission

130. The Commission decided to report to the General Assembly that the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the United States federal civil service in Washington, D.C., for the calendar year 2011 was estimated at 114.2. It also decided to draw the attention of the Assembly to the fact that the current average margin level for the past five years (2007-2011) was estimated at 114.0, which was below the desirable midpoint of 115.

131. The Commission also requested its Chair to update the margin estimate on the basis of the actual post adjustment multiplier, as necessary.

Margin update

132. After the completion of the Commission's seventy-third session, when the present report was being prepared, it was established that the actual post adjustment multiplier for New York for the period from August to December 2011 would be 65.7. Based on this updated information, and in accordance with the Commission's decision, the Chair hereby reports to the General Assembly that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2011 stands at 114.9. He also draws to the attention of the Assembly that the average margin level for the past five years (2007-2011) amounts to 114.1.

133. The details of the updated comparison of the average net remuneration of United Nations staff in the Professional and higher categories in New York and that of United States officials in Washington, D.C., by equivalent grades (margin for the calendar year 2011) are presented in annex VI to the present report.

E. Survey and report on diversity in the United Nations common system

134. In its resolution 64/231, the General Assembly requested the Commission to review the measures taken by organizations of the common system concerning the implementation of paragraph 3 of Article 101 of the Charter of the United Nations. The Commission had before it an examination of diversity policies in the organizations of the common system. The Commission was informed that organizations had implemented a number of policies with a view to creating diversified workforces. Such policies focused on: gender parity, employment of persons with disabilities, HIV/AIDS awareness in the workplace and geographical balance. The secretariat reported in some detail on geographical balance in the larger organizations of the common system. The organizations with established desirable ranges for the purpose of geographical balance were: the United Nations Secretariat, ILO, FAO, UNESCO, WHO and UNIDO. The governing bodies of these organizations had shown increasing interest in the progress being made in terms of geographical balance. The status of representation is shown in tables 1 and 2.

Table 1
States represented in organizations with established desirable ranges

Organization	*Number of Member States*	*Number of Member States represented*	*Percentage of Member States represented*
United Nations[a]	192	176	93.75
ILO[b]	183	117	64
FAO[b]	191	147	77
UNESCO[b]	193	156	81
WHO[b]	190	151	79.5
UNIDO[b]	173	79	45.7

[a] As at 30 June 2010.
[b] As at 31 December 2010.

Table 2
Status of representation

Organization	Total number of Member States	In range		Unrepresented		Underrepresented		Overrepresented	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
United Nations[a]	192	132	68.75	12	6.25	31	16	17	9
ILO[b]	183	69	37.7	66	36.1	5	2.7	43	23.5
FAO[b]	191	121	63.4	44	23	16	8.4	10	5.2
UNESCO[b]	193	78	40.4	37	19.2	52	26.9	26	13.5
WHO[b]	190	95	50.0	39	20.5	4	2.1	52	27.4
UNIDO[b]	173	54	31.2	94	54.3	6	3.5	19	11

[a] As at 30 June 2010.
[b] As at 31 December 2010.

135. Fifty (50) countries were unrepresented, 10 were underrepresented and 28 were overrepresented in at least three of the six organizations with established desirable ranges. Nineteen (19) countries were unrepresented in at least four of the six organizations with established desirable ranges, nine of which were from the Asia-Pacific region. Asia also had the largest number of underrepresented States (see annex VII). Actions that were being taken by organizations to bring about equitable geographical balance included ensuring that staff selection decisions took into consideration the nationality and gender of recommended candidates and that specific outreach programmes were in place to increase the number of applicants from unrepresented and underrepresented Member States. UNESCO reported that the young professionals programme was part of its strategy to increase the proportion of staff from unrepresented and underrepresented Member States and that in addition, the status of countries that were either unrepresented or at risk of becoming so owing to upcoming retirements was brought to the attention of senior managers (at the level of Assistant Director-General and Director of Bureau).

136. It was recalled that at its sixty-fifth session, the General Assembly had adopted resolution 65/247, by which it had approved the young professionals programme for the United Nations in line with the proposals of the Secretary-General. One of the stated purposes of the programme was to foster the goal of increasing the diversity of the Secretariat and to improve its geographical representation (see A/65/305/Add.4, para. 12). The programme would be open to young professionals from unrepresented and underrepresented Member States and those in danger of becoming so (ibid., para. 17). Organizations also reported that the importance of diversity, including geographical diversity, was included in the induction programmes for senior managers. Other actions included specific outreach programmes targeting unrepresented and underrepresented countries.

137. With respect to geographical distribution, it was noted that desirable ranges were not calculated in a uniform manner across the six organizations that used them. While in most cases the same factors of contributions membership and population were used to calculate these ranges, the weighting of the factors was not the same across organizations. WHO also included all non-language posts irrespective of budget source. This resulted in 83 per cent of staff being subject to geographical distribution compared with the United Nations, where only regular budget posts

were included and where only 34 per cent of staff members were subject to geographical distribution.

Discussion in the Commission

138. Noting the actions already being taken by some organizations, the representative of the Human Resources Network affirmed the commitment of the organizations to promoting and maintaining a diverse workforce and to creating an environment that would not only encourage productivity but would also respect differences among individuals. The Network urged the Commission's secretariat to broaden the scope of subsequent reviews to include issues such as gender, disability in the workplace and safe working environments.

139. The staff representatives concurred with the Human Resources Network that the scope of the document was too narrowly focused on gender and geographical distribution and that it would be desirable in the future for the secretariat to widen the scope of its investigation to cover diversity issues. CCISUA, speaking on behalf of both CCISUA and FICSA, noted that diversity extended well beyond the issue of nationality. While the paper made a distinction between the two main elements of Article 101 (3) of the Charter, he suggested that the Commission could not ignore the nexus between the paramount consideration, "competence, efficiency and integrity", and the secondary element, the "due regard" to be given to geographical distribution in recruitment procedures. He suggested that the interpretation provided by the tribunals would be instructive in this regard. The issue of training and development as a means of ensuring the retention of a diverse workforce was highlighted, as was the tendency in some organizations to use temporary or short-term contracts to avoid the issue of geographical distribution.

140. The federations regretted that the paper did not identify the reasons for which some nationalities were underrepresented, suggesting that terms and conditions of work in some larger countries may be more competitive than those in the United Nations. Recognizing the laudable goal of seeking parity between women and men in the senior-level positions in the organizations, he felt that the legitimate concerns of women in the lower-level Professional, National Officer and General Service categories were overlooked. The UNISERV representative said that he regretted that the questionnaire had not also been addressed to staff representatives. He further questioned the validity of using only 30 per cent of staff in determining the quotas for geographical distribution in the United Nations Secretariat.

141. Some members of the Commission stated that the document presented an opportunity to reflect on the issues surrounding equitable geographical distribution in the United Nations system, and its intractability. The last time that the Commission had dealt with the subject had been in 1987. The Commission emphasized that as implied by paragraph 3 of Article 101 of the Charter, the proper balance had to be found between recruiting staff of the highest level of competence and achieving and maintaining geographical balance. One member noted that geographical distribution methods were not uniformly applied across common system organizations. He further observed that the United Nations had been founded on the concepts of multiculturalism, diversity, regional representation, gender balance, geographical distribution and equal representation; there was still a struggle, after 65 years, to arrive at the right policies, rules and regulations to make these concepts a reality. He was of the view that the current demographic profile of the common system was

directly correlated to the funding structure of the United Nations system and could not be changed by the application of equations and formulae.

142. Another view was expressed that the very locations of United Nations offices inherently had put some countries at a disadvantage with respect to geographical distribution. Some members expressed concerns that the note by the ICSC secretariat had not fully taken into account the General Assembly's most recent decisions on the matter, which had resulted in the adoption of resolution 65/247, in which the status quo was more or less maintained. In that context, it was felt that it served no purpose to recommend guidelines on this subject. While it was the opinion of some that the Commission should not pre-empt the Assembly by making recommendations on geographical distribution, it was generally concluded that the Commission had a role to play in ensuring that all Member States had a modicum of representation.

143. The Commission reiterated that the paramount consideration in the employment of staff was professional qualifications, which were the key to the capacities of the organizations to deliver on their mandates. It concluded that the General Assembly's request could best be carried out by focusing on recruitment policies and the elimination of barriers to recruiting from as wide a geographical area as possible. They took note of programmes that were already being implemented in organizations and the varying interest of governing bodies in obtaining and preserving equitable geographical balance in those organizations with established desirable ranges. The Commission reiterated its support for programmes such as the young professional programme, recruiting missions and recruitment through competitive examinations. It was therefore agreed that studies would be conducted into recruitment practices in the organizations with a view to identifying barriers to obtaining wider geographical representation, as envisioned in paragraph 3 of Article 101 of the Charter, and to propose possible solutions.

144. Noting that diversity was not synonymous with geographical balance, it was agreed that the Commission also had a role in initiating policy frameworks for diversity in the common system. There was an opportunity to participate in the larger discourse on diversity and to craft its definition as it applied to the United Nations common system. Consideration should also be given to the most appropriate leadership models to achieve the balance being sought by the United Nations system between competence and diversity. In this regard, one member posited that the United Nations had been established to enable peaceful confrontation and to achieve peace. Hence, diversity in the United Nations rested not only on the recruitment of geographically diverse persons but also on the concept of "diversity of thought". This, the member believed, should be reflected in the organizations' recruitment models.

Decisions of the Commission

145. The Commission decided:

(a) To inform the General Assembly of the status of geographical distribution in the organizations of the common system and actions being taken by organizations and their governing bodies to achieve geographical balance;

(b) To study recruitment policies with a view to recommending to organizations measures that would be more favourable to diversity;

(c) To revert to discussing diversity broadly at a later date.

Chapter V

Conditions of service of the General Service and other locally recruited categories

Review of the General Service salary survey methodologies

146. In accordance with article 11 of its statute, at the end of the sixth round of headquarters salary surveys, the Commission had commenced a review of the headquarters and non-headquarters methodologies for surveys of best prevailing conditions of employment. Accordingly, at its sixty-sixth session the Commission had established a Working Group consisting of four members of the Commission, six members designated by the organizations, two members designated by each staff federation (i.e., CCISUA, FICSA and UNISERV), as well as ICSC secretariat representatives. The Working Group was required:

(a) To review ways of obtaining the required data, including the possibility of purchasing data from external sources, in the light of the difficulties encountered relating to private-sector employer participation during the data-collection phase;

(b) To further examine the requirements for adequate representation of the national civil service;

(c) To examine the application of both methodologies to ensure that the choice of methodology corresponds to the conditions of the local labour market and that similarly situated staff are treated equally;

(d) To analyse and explore issues encountered during the sixth round of surveys and propose solutions to those problems;

(e) To revise the text of both methodologies accordingly.

147. Upon the completion of its work, the Working Group presented its recommendations to the Commission at its seventy-second session. While there was consensus on many of the Group's recommendations, the representatives of the staff federations expressed their reservations on a few. Additionally, the Working Group was also not able to reach agreement on a few issues because of the wide range of positions within the Group. Such issues, together with the Group's recommendations, were submitted to the Commission for decision.

Discussion in the Commission

148. The Human Resources Network welcomed the report of the Working Group and supported its basis. It also pointed out that once the Commission had taken its decisions on the revised methodologies, the accompanying manual and training materials should be finalized and training should be provided on a priority basis in order to inform staff and the organizations.

149. The representatives of FICSA, CCISUA and UNISERV noted that while consensus had been achieved on many proposals, most notably on the use of salary movement data from vendors under some circumstances, a divergence of views existed between the representatives of the staff federations and other members of the Working Group on a few proposals, including the following: the issue of the national civil service; the non-pensionable component; rules of approval under methodology I; the need for further access by the local salary survey committees to

the review and approval process under methodology II; and the quantification of minor in kind benefits. The representative of FICSA acknowledged the opportunity for exchange of ideas during the review process. Whatever the decisions, the operational manuals would need to be urgently revised. The representative of CCISUA expected that the organizations would keep a close watch on changes in the methodology and any effect on staffing. The representative of UNISERV stated that the Commission should develop incentives for the private sector to facilitate the gathering of data. He also recalled that the intended purpose of hiring National Professional Officers was for capacity-building, but that the organizations were now using them as one of their cost-cutting measures. The UNISERV representative from the security category made a presentation highlighting the importance of the work of staff in that category, why they were different from the General Service category and why they should remain that way.

1. The use of salary movement data from vendors

150. During the most recent round of surveys, employer participation continued to be an issue at some duty stations. To overcome the problem, the Working Group evaluated the use of vendor-provided salary survey data under the methodologies. On the basis of the evaluation, it recommended the use of salary movement data as a residual source to complete the surveys if the normal minimum number of 20 employers could not be surveyed owing to participation problems.

Discussion in the Commission

151. The Commission was informed that the Working Group had noted wide disparities in employer sample sizes and data coverage. Several options for using vendor data were evaluated, including outsourcing the data collection and customizing off-the-shelf vendor survey data to identify comparable data sets of more competitive employers. In general, the vendor databases did not have sufficiently robust data for support-level jobs similar to those in the General Service category, though the data for professional and managerial jobs was more robust. Customization of the data, while adding cost, introduced great volatility through the resulting small data sets, which was not desirable. In addition, the correlation between the employers surveyed in the United Nations surveys and those in the employer databases was no more than one or two in the duty stations for which data were reviewed. Furthermore, the vendor databases did not always capture allowances and other benefits that were included under the present methodologies. Moreover, the representation of public/non-profit employers in vendor data was generally minimal.

152. Given the problems of comparability with the vendor data, the Commission supported the residual use of salary movement data provided by vendors for cases in which employer participation proved to be problematic under methodology I, applicable to headquarters and similar duty stations, and methodology II, applicable to all other duty stations. It noted that such movement was less prone to be affected by differences in employer samples; in working hours between employers; in the quantification of particular benefits; or even in the competitive positioning of particular employers. The more competitive employers did not consistently provide higher increases, nor did the less competitive employers provide consistently lower increases. Therefore, it was considered advisable that the salary movement data be utilized only for instances in which it had become impossible to garner the

participation of the minimum required number of 20 employers. Salary movement data from two vendors should also be averaged to ensure stability and broader coverage. In addition, the Commission considered it advisable that an absolute minimum number of employers from the private and public (including the national civil service) sectors be required before resorting to the salary movement data. The Commission was of the view that such a requirement would ensure an adequate sample of employers to permit comparison of the actual levels of salaries in the United Nations system to those of external employers.

Decisions of the Commission

153. The Commission decided that the use of salary movement data from two vendors, averaged and adjusted for the gross to net relationship based on the tax regulations at the duty station, would be permitted in the following circumstances:

(a) Under methodology I, when the normal minimum required number of 20 employers cannot be surveyed, provided that at least 5 employers, including the national civil service comparator, and at least 8 employers from the private sector, with no subsector accounting for more than 25 per cent of the sample, are surveyed;

(b) Under methodology II, category I, when the normal required number of 15 employers cannot be surveyed, provided that:

(i) At least 11 employers have been surveyed overall;

(ii) At least 4 or 5 employers from the public sector, depending on whether the national civil service is retained or not, are included in the surveyed employers;

(c) Under methodology II, category II, when the normal required minimum number of 10 employers cannot be surveyed, provided that:

(i) At least 7 employers have been surveyed overall;

(ii) At least 3 or 4 employers from the public sector, depending on whether the national civil service is retained or not, are included in the surveyed employers;

(d) The results of the analysis of the data from the surveyed employers would be weighted by the number of employers surveyed, and the salary movement data would be weighted by the number of employers short of the normal required minimum to determine the final adjustment to be applied to the salary scales.

2. National civil service

154. The inclusion of the national civil service had been a requirement under the headquarters methodology. In its resolution 64/231, the General Assembly requested the Commission, when reviewing the General Service salary survey methodologies under the Flemming principle, to give higher consideration to the national civil service among the retained employers, taking into account that the United Nations is a civil service organization.

155. In addition, during the review of some surveys under the most recent round, members of the Commission expressed the view that the national civil service employers that had been selected could not be considered representative of the mainstream civil service. As a consequence, the Commission requested the Working

Group to examine the requirements for adequate representation of the national civil service.

156. To address both the request of the General Assembly and the concern of the Commission, the Working Group proposed that under methodology I a separate one-to-one comparison with the national civil service employer be conducted and a weight of 5 per cent be assigned to the comparison in the overall survey result. The comparison with the remaining employers should then be conducted under the existing framework and a weight of 95 per cent assigned to the comparison. Additionally, in trying to address the concern of the Commission, it recommended that the ministry of foreign affairs, or its equivalent, be used as the employer representing the national civil service. Under methodology II, it was proposed that for some duty stations under category I, the retention of the national civil service should be a requirement, and that the requirement to increase the public sector representation when the national civil service could not be retained should be strengthened for all others.

Discussion in the Commission

157. The Human Resources Network highlighted the linkage of the Flemming principle to the methodologies. The Network recognized that the General Assembly, in its resolution 64/231, specifically requested higher consideration of the national civil service, and considered that it would be important to ensure that adequate weight was given to the national civil service in line with the intent of the Assembly.

158. The representative of the International Fund for Agricultural Development (IFAD) drew attention to some distortions in the current methodology and stated that its governing bodies had requested that alternatives be explored. In particular, attention was drawn to a recently commissioned report which confirmed the findings of the internal strategic workforce planning exercise that the current overlap between Professional and General Service salaries in Rome was greater than any other headquarters duty station, and that General Service salaries in Rome were considered quite high. The Fund's Executive Board expected that such anomalies would be considered by ICSC in its review of the methodology.

159. The representative of the World Food Programme (WFP) requested the Commission to consider whether the 5 per cent weighting attributed to the national civil service was indeed the appropriate weighting.

160. The representative of the Food and Agriculture Organization of the United Nations (FAO) supported the basic approach of separating the comparison with the national civil service employer, as represented by the ministry of foreign affairs. He indicated that FAO was also facing pressures from its governing bodies, and that its Finance Committee had expressed concern at the high level of salaries of General Service staff in Rome and the substantial overlap with the Professional grades. The FAO Finance Committee was therefore paying close attention to the review, in particular whether a 5 per cent weight for the separate comparison with the national civil service employer was considered to be in the spirit of resolution 64/231.

161. The representatives of the staff organizations were of the opinion that the proposed response to resolution 64/231, by which a specific weight was assigned to the national civil service, would constitute a departure from the Flemming principle. While a compromise had been reached in the Working Group on the identification of

the ministry of foreign affairs as a representative of the national civil service, its inclusion as an additional employer under methodologies I and II already represented a major departure from the Flemming principle. The FICSA representative saw no technical rationale which could justify the separate comparison of the national civil service and the use of predetermined, artificially inflated weights. In response to the issues raised by the Rome-based organizations, the representative stated that the so-called anomalies described by the administration representatives were a result of misperceptions based on incorrect information. He noted that the report commissioned by IFAD had not been circulated to the Commission. Therefore, reference should not have been made to it in discussions. The report had no technical validity and its conclusions stemmed from inappropriate salary comparisons, leading to unsubstantiated conclusions about the overlap with Professional salaries.

162. In considering the request of the General Assembly contained in resolution 64/231, the Commission noted that that issue (see para. 154) was separate from the issue of the definition of the national civil service under the methodologies. It noted that the Working Group was recommending that a separate comparison be conducted against the national civil service employer with a specific weight of 5 per cent assigned to that comparison. A comparison of the data from the remaining employers would be conducted on the basis of the present interpolated seventy-fifth percentile dual pay-line approach and assigned a weight of 95 per cent.

163. Several members noted that the proposed weight of 5 per cent corresponded to the notional weight that one employer would be expected to have in an overall sample of 20 employers. They recognized that, under the present analysis, the weight of particular employers varied from one job to another, since what was sought was the seventy-fifth percentile ranking for each job. However, the proposed weight of 5 per cent, even under a separate comparison, could, under some circumstances, lessen the weight of the national civil service employer and was therefore difficult to justify. Some members were of the opinion that the weight should be between 15 and 25 per cent. Most members agreed that a weight of 10 per cent would clearly demonstrate a higher consideration of the national civil service, since it would represent roughly the notional weight of two employers in a sample of 20.

164. Some members noted that, under the present approach, the logarithm of the number of incumbents in each outside matching job was taken into account in the weighting to arrive at the interpolated seventy-fifth percentile salary per job. Those members were of the view that it would be possible to give large employers, such as the national civil service employer, a greater weight under the present approach by using the actual number instead of the logarithm of the number of incumbents. However, most members agreed that this might lead to the problem of data dominance by very large employers and the introduction of associated bias in the final result, which was the fundamental reason for the use of logarithmic weights. Hence, the proposed weighting of the national civil service employer through a separate comparison provided a balanced solution to the need to give relatively higher weight to a single employer, while still avoiding data dominance by a few very large employers. As to the issue of whether such a methodological change was in keeping with the Flemming principle, most members agreed that in the application of the Flemming principle, both the "best" and the "prevailing" aspects should be taken into consideration.

165. The Commission also considered a proposal by FICSA that the ministry of foreign affairs be added as an additional employer. However, the Commission did not agree that the approach would respond to the Assembly's request since the notional weight of one employer in a sample of 21 would lower the weight of the national civil services in the surveys.

166. The Commission also recognized that a uniform definition of what constituted the national civil service was not feasible since that varied from one country to another. Therefore, it was more practical to nominate a particular civil service employer that was recognizable to all and was seen as being broadly representative of the mainstream civil service. The choice of a specific employer would address the concerns expressed in the Commission in the review of previous surveys about the representativity of the national civil service employer. Some members supported the selection of the ministry of foreign affairs, given that the language requirements for its staff were likely to be similar to those of the common system.

167. Some members were of the opinion that it should be possible to select other national civil service employers if they were found to be more competitive. Most members recognized that the choice of the ministry of foreign affairs as the representative national civil service employer did not preclude the inclusion of additional civil service employers. Members stressed, however, that officials of the ministry of foreign affairs who were on assignment outside their home countries or those who received any expatriate allowances should not be included in the comparisons. They supported the recommendation that the Chair of the Commission, in consultation with the local salary survey committee, should select an alternate civil service employer under methodology I when the ministry of foreign affairs could not be surveyed for any reason.

168. Under methodology II, the Commission agreed with the recommendation requiring the retention of the national civil service, as represented by the ministry of foreign affairs, for some of the duty stations under category I that require the retention of 15 employers. Since the present non-headquarters methodology called for the inclusion of the national civil service where that employer met the requirements of the methodology, and it appeared that the national civil service in those duty stations would meet those requirements, it was logical to require its retention. In the event that the ministry of foreign affairs could not be included, it recommended that the responsible agency select an alternate civil service employer after consultation with the Chair of the Commission.

169. At the other duty stations, under methodology II, the Commission noted that the present non-headquarters methodology specified that the minimum representation of employers from the public/non-profit sector was 25 per cent of the total number of employers included, when the national civil service was retained, or 33 per cent if it was not retained. Contrary to the expectations of the Commission, the 25 and 33 per cent figures equated to the same absolute number of employers for category II surveys, which require the retention of 10 employers, and category III surveys, which require the retention of 7 employers. The Commission agreed that specifying the actual number of employers corresponding to the minimum of 25 or 33 per cent would lend clarity to methodology II and, where the national civil service could not be retained, would increase the representation from the public sector.

Decisions of the Commission

170. The Commission decided:

(a) That the ministry of foreign affairs, or its equivalent, should be used as the employer representing the national civil service;

(b) That under methodology I:

(i) When it is not possible to include the ministry of foreign affairs, the Chair of the Commission will select a representative alternate civil service employer in consultation with the local salary survey committee;

(ii) A separate comparison between the United Nations entities and the national civil service employer should be made on a job-by-job basis. The comparison should be assigned a weight of 10 per cent in the calculation of the survey results on the basis of the employers surveyed, with the remaining employers receiving 90 per cent of the weight;

(c) Under methodology II:

(i) Where it was not possible to include the ministry of foreign affairs, the responsible agency would select an appropriately representative alternate civil service employer after consultation with the Chair of the Commission and the local salary survey committee;

(ii) The absolute number of employers corresponding to the 25 or 33 per cent minimum representation from the public/non-profit sector, depending on the retention of the national civil service, and the 25 per cent maximum representation from each private subsector should be clearly specified in the methodology;

(iii) For duty stations where the national civil service is not retained because it does not meet the criteria, the number of employers from the public sector should be increased by at least one additional employer over the absolute number of employers specified in subsection (ii) above.

171. Under methodology II, the Commission also approved the list of duty stations in category I, requiring the retention of 15 employers when it is necessary to retain the national civil service. The list would be annexed to the methodology.

3. Application of the methodologies to similarly situated labour markets

172. At present, the application of a particular methodology depends on whether a duty station is a headquarters or a non-headquarters duty station. The Commission asked the Working Group to examine the application of the methodologies to ensure that the choice of methodology corresponded to the conditions of the local labour market. In that regard, the Working Group made recommendations for the recategorization of all duty stations under two methodologies. Methodology I would apply to the eight headquarters duty stations and other duty stations sharing similar labour market characteristics. Methodology II would apply to all other duty stations and, in addition to the four categories under the present non-headquarters methodology, would include a fifth category for duty stations with fewer than 30 General Service staff, where alternative modalities to adjusting the salary scale would be studied by the responsible agency over the next two years.

Discussion in the Commission

173. The representative of FICSA agreed with the rationale for regrouping duty stations on the basis of similarities in the labour market, particularly for the most advanced economies.

174. The Commission reviewed the criteria used by the Working Group for differentiation of labour markets and agreed with the recommendation that, along with the eight headquarters duty stations, six additional duty stations would be covered under methodology I on the basis of similarities in their labour markets. All other duty stations would be covered under methodology II.

175. The Commission, in reviewing the revised categorization of duty stations under methodology II, noted the addition of a separate category for duty stations with fewer than 30 General Service staff. The Commission generally agreed that it would be pragmatic, given cost considerations, to explore alternate modalities for reliably adjusting the salary scales in such duty stations, which did not require comprehensive surveys. It agreed that such modalities should be studied by the responsible agencies in conjunction with the ICSC secretariat and the local salary survey committees over the next two years, after which a report should be submitted for consideration and decision by the Commission. Interim adjustments based on mini-surveys would continue to be applied.

Decisions of the Commission

176. The Commission decided:

(a) That methodology I should include, in addition to the eight headquarters duty stations, Bonn, Germany; Brussels; Copenhagen; The Hague; Tokyo; and Washington, D.C.;

(b) That methodology II would, in addition to categories I, II, III and IV under the present non-headquarters methodology, requiring the retention of 15, 10, 7 and 5 employers, respectively, include a fifth category for duty stations with fewer than 30 General Service staff;

(c) That for those duty stations under category V of methodology II with fewer than 30 General Service staff, alternate modalities for adjustment of the salary scales would be studied by the responsible agency in consultation with the secretariat of the Commission and the local salary survey committees at those duty stations, and that a report would be submitted to the Commission at its seventy-sixth session. Interim adjustments based on mini-surveys would continue to be applied;

(d) That for those duty stations under methodology II that were moved from category II, requiring the retention of 10 employers, to category I, requiring the retention of 15 employers, transitional measures should apply whereby 12 employers would be surveyed if the first comprehensive survey under the revised methodology is conducted within three years of the most recent comprehensive survey.

177. The Commission also approved the list of duty stations under each of the five categories, which would be annexed to methodology II.

4. Periodicity of surveys

178. Under the present headquarters and non-headquarters methodologies, the periodicity of surveys was 5 years and 3 to 5 years, respectively. On the basis of a review of the data, the Working Group recommended that the periodicity of surveys under methodology I could be increased to 8 to 10 years and that under methodology II the periodicity could be increased to 5 years, though that could be revised under exceptional circumstances.

Discussion in the Commission

179. The Commission noted that, under the present headquarters methodology, between surveys held every 5 years, the salary scales were adjusted on the basis of indices or a combination of indices. If those indices were found to be reliable over a period of time, then the periodicity could be increased, which was the case as suggested by the data reviewed. The Commission emphasized, however, that allowance should be made for revisions to the periodicity of particular surveys in the event of any exceptional circumstances, as was being recommended for methodology II. The Commission also noted that the next round of surveys under methodology I would commence from the date of the implementation of the revised methodologies.

180. Under the present non-headquarters methodology, the Commission understood that, between comprehensive surveys, adjustments to the salary scales were for the most part effected on the basis of interim surveys, which required updating the information gathered from the employers retained during the comprehensive surveys. Therefore, a direct link to the employers in the local labour markets was ensured. Since the same procedure would be followed under methodology II, the Commission agreed that the periodicity of surveys under methodology II could be increased. Exceptional circumstances might require some revisions, but it would be important for the Commission to be aware of such instances so as to ensure uniformity in implementation.

Decisions of the Commission

181. The Commission decided:

(a) That the periodicity of surveys under methodology I would be 8 to 10 years. Under exceptional circumstances, the Chair of the Commission may revise the schedule for particular surveys;

(b) That the periodicity of surveys under methodology II would be 5 years. Under exceptional circumstances, the responsible agency may revise the schedule for particular surveys in consultation with the Chair of the Commission.

5. Review and approval of surveys

182. The Working Group made recommendations with regard to the applicability of the methodologies (see para. 170 of the present document). In that regard, the Working Group considered whether the Commission itself or the responsible agencies should carry out the review and approval of surveys for the duty stations, other than the headquarters duty stations, under methodology I. However, the Working Group considered that, in accordance with article 12 of the Commission's statute, any decision in that regard could be taken only by the organization.

Discussion in the Commission

183. The representative of the Human Resources Network stated that the Network supported the position that the United Nations Secretariat and the World Health Organization (WHO) would continue to be responsible for undertaking the surveys in the duty stations added to methodology I.

184. The representative of the Secretariat stated that the review and approval of the surveys was a management function and that the local salary survey committees participated in all phases of the survey process. For reviews of surveys at duty stations where the Secretariat was the responsible agency, it had established a steering committee in which other organizations with large field presences based in New York, and the ICSC secretariat, participated. The Secretariat intended to continue that arrangement.

185. The representative of FICSA stated that it was important to ensure a uniform approval process for surveys under methodology I. Therefore, FICSA did not agree with the position of the Human Resources Network. The representative of CCISUA agreed with the position of FICSA. He also stated that greater access to the review process under methodology II should be given to the local salary survey committees.

186. The Commission noted that, in accordance with article 12 of its statute, it was responsible for establishing the relevant facts for, and making recommendations as to, the salary scales of staff in the General Service and other locally recruited categories at headquarters duty stations and such other duty stations as might from time to time be added at the request of the United Nations System Chief Executives Board for Coordination (CEB). Since the Commission had never been requested to take responsibility for duty stations other than headquarters, it could make recommendations only with regard to the headquarters duty stations. How the responsible agencies would conduct the review of the surveys was up to them. However, the Commission stressed the importance of its secretariat's participation in reviews of surveys conducted by the responsible agencies, which would ensure consistent application of the methodologies.

187. The Commission did not see any reasons for concern with regard to the review process being carried out by the responsible agencies for the six additional duty stations under methodology I. The Commission also agreed that staff had a participatory role at all stages of the survey process, from data collection to analysis and salary scale construction, under both methodologies. Any issues that the local salary survey committee wished to bring to the attention of the responsible agencies during the review process could be submitted in writing. It also noted that under methodology II, there were provisions that called for ongoing communication between the salary survey specialist and the local salary survey committees until the survey process was completed.

Decision of the Commission

188. The Commission decided that the ICSC secretariat would participate in the review of surveys under the responsibility of the responsible agencies to ensure consistent application of the methodologies.

6. Non-pensionable component

189. The Commission noted that the Working Group had not been able to make any recommendation on the issue of the non-pensionable component. Under existing practice, a non-pensionable component was established when the total of non-pensionable elements crossed a threshold of 10 per cent, and then only for the amount exceeding the 10 per cent threshold. The maximum non-pensionable component was limited to 20 per cent. The Working Group had considered three options, namely: (a) leaving unchanged the current parameters for establishment of a non-pensionable component; (b) lowering the threshold for establishment of a non-pensionable component to 5 per cent; and (c) removing all non-pensionable allowances and benefits from salary and paying a flat amount as an allowance. However, no recommendations had been made, given the differing views within the Working Group.

Discussion in the Commission

190. The representatives of the staff federations suggested that no changes in the non-pensionable component were warranted at the present time. The representative of FICSA considered that the proposals for revisions could have a highly detrimental effect on the pensionable remuneration of locally recruited staff and would add an element of volatility affecting staff welfare and the funding position of the pension fund. The current approach was consistent with the required criteria of recurrence, predictability and stability as approved by ICSC in previous years.

191. One member noted that in the United Nations system net salaries included not only the salaries but also all the benefits and allowances provided by the surveyed employers. Therefore, United Nations allowances, such as hazard pay, language allowance and the child allowance based on those net salaries, were inflated. Some of the surveyed employers' benefits and allowances which are incorporated in United Nations salaries are considered non-pensionable by ICSC. When more than 10 per cent of a United Nations salary is non-pensionable, the non-pensionable portion is deducted from pensionable remuneration, but the maximum deduction is also capped at 20 per cent. Therefore, the net pensionable remuneration is inflated by up to 10 per cent in most cases and in some cases by more than 20 per cent. Hence, all non-pensionable benefits and allowances should be excluded from salary and be paid as a separate allowance. That allowance would not be pensionable and would be composed of those benefits and allowances that are now declared non-pensionable. As a result, salaries in the United Nations system would be easier to compare with outside employer salaries, and the calculation of United Nations allowances would be based only on salary and would not be inflated by the inclusion in salary of surveyed employers' benefits and allowances. The system would be much simpler, more transparent and easier to administer. There is little merit in the argument that removing benefits and allowances from salary would cause instability in salaries or pensionable remuneration. Salary surveys will be conducted every 8 to 10 years under methodology I and every 5 years under methodology II. A change in the ratio of salaries to allowances every 8 to 10 years is hardly an unstable situation. Further, past experience has not shown such to be the case. The purpose of the periodic surveys is to update salaries and allowances to reflect local practice. If the ratio of salaries to allowances changes in the local labour market then the change should be reflected in United Nations salaries and allowances.

192. Other members were of the opinion that the proliferation of allowances was not desirable and that separating salaries and allowances might pose problems. Given that what constituted base or pensionable salary varied from one country to another, the ratios of salaries to allowances could vary greatly, affecting stability in pensionable remuneration and income replacement ratios. That was the reason for having a threshold for establishing a non-pensionable component. In the United Nations system, pensions were based on the concept of income replacement, and the main criteria for the determination of pensionability as decided by the Commission were regularity, recurrence and predictability of all allowances and benefits paid to employees in cash (see A/52/30, para. 139 (a)). The linkage of certain United Nations allowances to the local salary scales served the purpose of administrative simplicity since the amounts of those allowances were, in any case, not tied to local practice. The child allowance was a social benefit (ibid., para. 150), while the language allowance and hazard pay were important elements in recognition of other specific requirements of service in an international organization. Therefore there was no basis to consider their levels inflated.

193. Other members considered that the threshold for establishment of a non-pensionable component should be lowered from 10 to 7.5 or even 5 per cent, which could be justified given the decision of the Commission to discontinue the quantification of certain minor in kind benefits (see para. 207).

194. Given the importance of the issue of the non-pensionable component to the broader issue of pensionable remuneration, the Commission agreed that it should be further studied within the overall context of the ongoing review of pensionable remuneration, and it asked its secretariat to add the issue to the proposed workplan under that item. Until such time, it would be prudent to leave the existing parameters in place.

Decisions of the Commission

195. The Commission decided:

(a) That no changes to the non-pensionable component should be introduced at the present time;

(b) That the issue of the non-pensionable component should be added to the workplan on the review of pensionable remuneration.

7. Parastatal employers

196. Under the present methodologies, parastatal employers were considered under the public/non-profit sector, as long as a Government owned a majority stake in the employer. At issue was whether there were some instances when such employers should be considered under the private sector.

197. The Working Group proposed a revised criterion for determining when a parastatal employer should be considered under the "parastatal" subsector of the public/non-profit sector and when such employers should be considered as private sector employers. The key difference was whether the Government was responsible for setting the conditions of remuneration or not.

Discussion in the Commission

198. The representative of UNISERV requested that the definition of "parastatal employers" be clarified.

199. Some members felt that all employers under the public/non-profit sector should be non-profit employers. Most members agreed that the primary differentiating factor in whether a parastatal employer should be considered under public/non-profit sector or private sector criteria should be whether the Government was responsible for setting the conditions of remuneration. If the Government was responsible, the employer should be considered as a public/non-profit sector employer. Otherwise, the employer should be considered under the appropriate private subsector.

Decision of the Commission

200. The Commission decided that employers in which the Government owns a stake should be considered under the parastatal subsector of the public/non-profit sector only when the Government establishes the conditions of remuneration. If the Government does not establish the conditions of remuneration, the employer should be considered private.

8. Salary scales in multiple duty stations within a single country

201. On the basis of their need, the organizations had established separate salary scales for multiple duty stations, in a few countries. There was a need to follow a uniform approach for the promulgation of such scales when required. It was also recognized that the proliferation of salary scales was not desirable. The Working Group proposed guidelines for the organizations to follow, for incorporation into the methodologies.

Discussion in the Commission

202. The representative of FICSA fully supported the recommendation that the proliferation of salary scales should be avoided. FICSA noted that for duty stations where separate salary scales existed, the adjustments would be linked to the main salary scale established in the duty station with the greatest number of staff in the country. FICSA called the attention of the Commission to the fact that, should a negative adjustment be made to the main salary scale, the adjustment might not be warranted for the salary scales of the other duty stations linked to that scale. The representative of UNISERV also favoured a single salary scale per country provided that the most favourable one was used.

203. The Commission noted that the United Nations Secretariat was responsible for maintaining all salary scales for common system staff. The Commission agreed that the recommendations of the Working Group balanced the needs of the organizations to establish separate salary scales, under particular circumstances, with the valid concern regarding a proliferation of salary scales. In many duty stations in the field, there was simply not enough data to establish reliable differentials between salary scales. Therefore, the primary consideration in establishing a separate salary scale should be whether there were significant measurable differences or reliable indicators between the different cities, and, in that context, the number of staff in a duty station should also be considered. Nevertheless, the Commission also agreed

that the responsible agency should monitor the established differentials between salary scales in the main duty station and other duty stations, to ensure that they were justified.

Decisions of the Commission

204. The Commission decided:

(a) That the normal practice should be to apply a single salary scale to all duty stations within a single country, and the proliferation of salary scales should be avoided;

(b) That the responsible agency may decide to establish separate salary scales where justified;

(c) That the responsible agency should monitor any established differentials between the salary scales of the main duty station and other duty stations within a single country to ensure that such differentials are justified.

9. Issues common to both methodologies

Decisions of the Commission

205. The Commission decided:

Benchmark jobs

206. That a common set of benchmark jobs should be used under both methodologies, given the approval by the Commission, in 2009, of a global job classification system for the General Service and related categories of staff:

(a) Under methodology I, the common benchmarks should form the primary basis for the selection of jobs to be surveyed. On an exceptional basis, if additional benchmarks need to be added to increase the representativity of jobs at particular grades, proposals to that effect would need to be made for approval by the Chair of the Commission;

(b) Under methodology II, 15 benchmarks corresponding to the principal jobs found at each duty station should be selected from the common set of benchmark jobs;

Quantification of minor in kind benefits

207. That minor in kind benefits such as refreshments provided to employees for consumption during the workday and company-sponsored social events did not constitute basic elements of compensation as required under the Flemming principle and should no longer be quantified;

Quantification of meal benefits

208. That free or subsidized meals should be quantified on the basis of the cost to the employer. Where such cost was not available, the benefit should not be quantified. Meal vouchers or allowances should continue to be quantified at their monetary value;

Quantification of motor vehicle benefits

209. That motor vehicles and related benefits, including fuel, maintenance, insurance and paid parking facilities, should be quantified as taxable, non-pensionable benefits.

10. Issues pertaining specifically to methodology I

Decision of the Commission

210. The Commission decided:

National Professional Officer salary scale adjustment

211. That under methodology I, given the limited numbers of National Professional Officers in the six duty stations outside the headquarters duty stations, the results of the percentage change applied to the General Service salary scale should also be applied to the National Professional Officer salary scale, where those positions exist.

11. Issues pertaining specifically to methodology II

Decisions of the Commission

212. The Commission decided:

Size of employers

213. That employers retained in surveys requiring the retention of 7, 10 and 15 employers should be excluded if they have fewer than 20 employees in jobs similar to General Service jobs. Any exceptions that include employers with fewer than 20 employees in jobs similar to the General Service should be considered only when no alternatives are available. Jobs without incumbents should not be matched;

Criteria for retention of jobs in the General Service category

214. That a minimum of five employer job matches should be required in surveys requiring the retention of 15 and 10 employers. A minimum of three employer job matches should be required in surveys requiring the retention of 7 and 5 employers;

National Professional Officer benchmark jobs

215. That under methodology II.

(a) The Commission approved a set of common National Professional Officer benchmark jobs which would be annexed to the methodology;

(b) Positions at the National Professional Officer, D-grade level should no longer be surveyed, and their salaries should be extrapolated at the scale construction stage on the basis of observed intergrade differentials at the lower grades;

Criteria for retention of jobs in the National Professional Officer category

216. That employers shall normally be retained for the National Professional Officer category if they provide matches for a minimum of two out of the three surveyed grades. Employers providing a single job match may be retained:

(a) If the employer has globally consistent job evaluation and remuneration systems;

or

(b) If the employer is retained for the General Service category and the matched National Professional Officer job is a natural progression within a particular occupational group used in the General Service benchmarks;

Composition of the data collection teams

217. That the data collection teams should be limited to the salary survey specialist and one additional member representing staff. A third representative from management, if any, should be an international staff member from the Professional and higher categories;

Role of the coordinating agency

218. That a role should be introduced for the coordinating agency, making it responsible for formation of the local salary survey committees, the appointment of its chair and the coordination of the conduct of the survey in a particular duty station;

Use of weighted averages in the data analysis

219. That the average minimum and maximum salaries of the retained employers should be calculated on the basis of a weighted average;

220. That the weights used to determine the weighted averages should correspond, for each retained employer, to the logarithm of its total number of employees in jobs similar to the General Service and National Professional Officer categories at the duty station.

12. Approval of the methodologies

221. Having concluded its review of the methodologies, the Commission approved revised methodologies I and II. It further decided that the revised methodologies would come into effect as of 1 January 2012. However, preparations for implementation including, inter alia, updating the salary survey manuals, providing training and updating the information technology systems used for the analysis of data, should begin immediately.

13. Schedule for the next round of surveys under methodology I

222. The secretariat circulated the proposed schedule for the next round of surveys to the lead agencies of the eight headquarters duty stations and the responsible agencies of the six additional duty stations to which methodology I would be applied. The lead and responsible agencies held consultations with the administration and staff at those duty stations. On the basis of the replies received, a schedule was proposed for the next round of surveys (see table 3).

Table 3
Proposed schedule for next round of surveys under methodology I

Duty station	*Previous survey*	*Pre-survey consultations*	*Pre-survey document to Chair or responsible agency*	*Survey date*	*Survey review*
Rome[a]	November 2005	Autumn 2011	Spring 2012	April 2012	Summer 2012
Paris[a]	October 2004	Spring 2012	Autumn 2012	October 2012	Spring 2013
Montreal[a]	April 2005	Autumn 2012	Spring 2013	April 2013	Summer 2013
Tokyo	June 2004	Autumn 2012	Spring 2013	July 2013	Summer 2013
Madrid[a]	April 2004	Spring 2013	Autumn 2013	October 2013	Spring 2014
New York[a]	November 2005	Spring 2014	Autumn 2014	November 2014	Spring 2015
London[a]	November 2006	Autumn 2014	Spring 2015	May 2015	Summer 2015
Geneva[a]	March 2007	Spring 2015	Autumn 2015	September 2015	Spring 2016
The Hague	October 2008	Autumn 2015	Spring 2016	April 2016	Summer 2016
Vienna[a]	November 2007	Autumn 2016	Spring 2017	April 2017	Summer 2017
Bonn	October 2009	Spring 2016	Autumn 2016	October 2016	Spring 2017
Washington, D.C.	October 2010	Spring 2017	Autumn 2017	October 2017	Spring 2018
Brussels	May 2011	Autumn 2017	Spring 2018	May 2018	Summer 2018
Copenhagen	September 2010	Spring 2018	Autumn 2018	September 2018	Spring 2019

[a] Review by the International Civil Service Commission.

Discussion in the Commission

223. The representative of FICSA made a statement, speaking also on behalf of the FAO/WFP Union of General Service Staff and the local staff union of the United Nations Logistics Base at Brindisi, and noted with disappointment the proposed change in the schedule of the salary survey for Rome from the originally envisaged date of November 2013. The Union of General Service Staff in Rome had informed FICSA that it was never consulted on the proposed schedule. A survey in April would be problematic, since the mandatory month for certification of local employer budgets in the Rome market was May. FICSA was aware of the political pressure from the governing bodies of the Rome-based organizations, but it could not understand why the Commission would depart from a decision taken at the current session that surveys under methodology I would be conducted every 8 to 10 years. The period between the previous survey and the proposed survey in Rome was only 6.5 years. Therefore, FICSA need not describe the climate that may surround the next salary survey in Rome and its effect on trust among parties.

224. The representative of WFP, on behalf of the Rome-based organizations, supported the proposed survey schedule, noting that, among other things, an early

survey in that location would help address the issue of the service differential that would remain, pending the next comprehensive survey.

Decision of the Commission

225. The Commission approved the schedule for the next round of comprehensive salary surveys in duty stations covered under methodology I, as proposed.

Chapter VI
Conditions of service in the field

Harmonization of the conditions of service for staff serving in non-family duty stations in the common system

1. Rest and recuperation framework

226. Having approved in 2010 the main elements of the rest and recuperation framework as proposed by the International Civil Service Commission, the General Assembly, in its resolution 65/248, decided that the framework should be regulated by the Commission. The effective date of the assumption of that regulatory role was set to coincide with the effective date of the approved framework, 1 July 2011.

227. The main elements of the framework as approved by the General Assembly are as follows: (a) five working days of time off, not charged to annual leave; (b) travel time between the place of duty and the authorized place of rest and recuperation; and (c) paid travel by the most direct route and the most economical means from the place of duty to the authorized place of rest and recuperation.

228. The General Assembly did not approve the Commission's recommendation that compensation for accommodation costs should be paid to staff on rest and recuperation travel, and requested the Commission to submit a fresh proposal on accommodation costs in 2012.

229. As the Commission had already determined the main factors of the rest and recuperation framework, it only remained for it to consider the criteria that would govern the frequency of rest and recuperation travel.

Discussion in the Commission

230. As a basis for its discussion, the Commission considered a document that described in detail the operation of the rest and recuperation framework as currently applied by the organizations, and that reflected the views of organizations on the extent to which the rest and recuperation mechanism had an impact on programme delivery. Organizations reported that the focus of the scheme was to protect the health and well-being of staff serving in difficult locations in order to ensure optimal performance upon the resumption of service following the periodic breaks provided by the framework.

231. The Human Resources Network expressed the hope that the Commission would endorse the rest and recuperation criteria as they were currently applied by the organizations, as the mechanism was seen as a critical management tool and had proved its worth over a long period of time.

232. In a joint statement, the three staff federations, FICSA, CCISUA and UNISERV, stressed that the issue under consideration was not simply a matter of adjusting an entitlement, but that the end of the special operations approach as a comprehensive deployment modality had left staff in deep field duty stations in limbo. They called for a holistic approach, which could not ignore issues related to where families reside and payment of the daily subsistence allowance. They noted that abandoning the administrative place of assignment approach would result in different treatment of staff based on their nationality. In such circumstances, the rest

and recuperation policy must consider the options of sending staff back to their permanent place of residence, as most national systems, or sending them to another location and paying the daily subsistence allowance. They supported the frequencies as outlined in the paper, which had operated effectively for years, reflected the operational necessities of the organizations and could not be detached from the need to maintain a healthy and productive workforce. They stressed their support for the higher-frequency rest and recuperation arrangements, which were for the most exceptional circumstances, and were greatly needed. Noting a growing trend whereby the comparator offered more favourable conditions in instances justified by their unique and specific needs and priorities, the federations observed that the present instance clearly represented a situation in which the United Nations common system had unique and specific needs and priorities.

233. A representative of the common system staff counsellors' group addressed the Commission and explained the impact of constant exposure to stress on the human mind: sleeping problems; frequent mood swings; fatigue; irritability; reduced tolerance; tense interpersonal relationships; and conflicts. Such reactions to stress often led to substance abuse, self-isolation, sickness and psychological problems, none of which were conducive to sound decision-making. Studies had shown the importance of timely rest to mitigate stress levels and improve recovery times. On the frequency criteria, the representative underlined the importance of timely interventions before staff reached the tipping point.

234. The Commission viewed the rest and recuperation mechanism as an essential part of a broader package of measures and urged the organizations to encourage staff to use it in a timely and effective manner. It stressed the need for organizations that deployed staff to such locations to ensure that, to the extent possible, postings in hardship areas were shared equally by all staff.

235. When discussing the proposed exceptional four-week cycle, the organizations described situations in which staff were subject to extremely stressful and traumatizing conditions, including through working daily with victims and living in cramped and overcrowded compounds, often in isolated and dangerous locations.

236. Several members queried whether the authorized absence on rest and recuperation should be five working days as currently reflected in the approved framework, or five calendar days as currently applied by some, but not all, organizations. After some discussion, and examining the number of days staff might theoretically be absent from their duty station per annum, it was decided to recommend to the General Assembly that the framework be revised from five consecutive working days to five consecutive calendar days, plus approved travel time.

237. Organizations reported that they intended to conduct a survey of managers and staff on their views and experiences with the rest and recuperation framework, and that such a survey would include input from the medical services.

Decisions of the Commission

238. The Commission decided:

(a) To promulgate a revised set of criteria for the granting of rest and recuperation travel, and the corresponding frequencies of travel, as shown in annex VIII, with an effective date of 1 January 2012;

(b) To recommend to the General Assembly that the period of authorized absence on rest and recuperation as stipulated in the approved framework (A/65/30, annex XI, para. 2) be amended from five consecutive working days to five consecutive calendar days, plus approved travel time.

2. Establishing unified special operations living allowance rates

239. At its seventy-first session, held in July and August 2010, the Commission made a number of recommendations (A/65/30, para. 243) relating to the harmonization of conditions of service in non-family duty stations. The recommendations included transitional arrangements for organizations that had been using the special operations approach and were paying staff a special operations living allowance (SOLA). The recommendations were endorsed by the General Assembly in its resolution 65/248.

240. As a first step towards achieving the harmonization of conditions of service in non-family duty stations, it was decided that location-specific SOLA amounts would be harmonized by the Commission as a unified special operations living allowance rate for each location currently designated as a place of duty,[4] in consultation with the organizations and the staff federations (A/65/30, para. 243 (b) (vi) a.). Such amounts would be promulgated by the Commission and take effect on 1 July 2012.[5]

241. The unified special operations living allowance amounts are scheduled to be set within six months after the implementation of the decision by the General Assembly, that is, between 1 July and 31 December 2011.

Discussion in the Commission

242. In accordance with the Commission's request, the funds, programmes and specialized agencies of the United Nations system that apply the special operations approach reviewed a proposal for unified special operations living allowance rates for each location where the rates were not harmonized, in consultation with the staff representatives. In line with the parameters set by ICSC, the funds, programmes and specialized agencies conducted the review on the basis of the following principles:

(a) The new harmonized rates would not incur any increase in overall costs;

(b) There would be no increase in the special operations living allowance rate for any given location.

243. As a basis for establishment of the unified rates, the funds, programmes and specialized agencies took into account the methodology under the current special operations approach framework that takes into consideration the United Nations mission subsistence allowance rates applicable to the designated special operations approach location, where such have been established. In keeping with the previous principle that the special operations living allowance is intended for accommodation

[4] Under the special operations approach, staff working in non-family duty stations are assigned to a nearby family location, known as the administrative place of assignment, and proceed from there on mission travel to the place of duty. All allowances and benefits are paid at the rate of the administrative place of assignment, and staff are in receipt of a special operations living allowance amount to cover the additional costs of maintaining a presence in the place of duty.

[5] The small group of individuals assigned to an administrative place of assignment between 1 January and 30 June 2012 would be paid the unified special operations living allowance amounts from the day of their assignment.

and other costs at the special operations approach duty station, and for the sake of consistency, the field group aligned the rates on the following:

(a) Country-based: for countries where the mission subsistence allowance is the basis: the after-30-days mission subsistence allowance rate x 30;

(b) Location-specific: for countries where the daily subsistence allowance is the basis: 75 per cent of the daily subsistence allowance rate the first 60 days x 30; or the after-60-days daily subsistence allowance rate x 30.

244. The organizations informed the Commission that the impact of the proposed unified rates in relation to the two key parameters would be as follows: (a) a projected reduction in costs of approximately $700,000 annually; and (b) no increase in special operations living allowance rates at any location. Taking (a) and (b) into account, the organizations proposed unified rates as reflected in annex IX to the present report.

Decisions of the Commission

245. The Commission decided:

(a) To approve the list of unified special operations living allowance rates for non-family duty stations (annex IX), effective 1 January 2012 for staff assigned to a new administrative place of assignment between 1 January 2012 and 30 June 2012. For existing staff, the new unified rates will become effective 1 July 2012;

(b) To delegate the decision on the location-specific special operations living allowance amounts for new non-family duty stations and their promulgation to the Chair of the Commission during the transitional period (that is, until 30 June 2016);

(c) To request organizations to consult the Chair on all policy issues relating to special operations living allowance rates.

3. Designation of non-family duty stations

246. At its seventy-third session the Commission decided:

(a) To adopt the following for the designation of non-family duty stations:

The Chair of the International Civil Service Commission may designate a duty station as a non-family duty station for the purposes of the additional hardship allowance for service in non-family duty stations. This will apply to those duty stations where the United Nations Department of Safety and Security decides that for reasons of safety and security all eligible dependents are restricted from being present at the duty station for a period of six months or longer. The additional hardship allowance is payable to internationally recruited staff assigned to non-family duty stations;

(b) To delegate to the Chair of the Commission the authority to decide when to declare a duty station non-family, after consultation with the ICSC Working Group for the Review of Conditions of Life and Work in Field Duty Stations.

Annex I

Programme of work of the International Civil Service Commission for 2012-2013

1. Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system.

2. Conditions of service of the Professional and higher categories:

(a) Base/floor salary scale;

(b) Evolution of the United Nations/United States net remuneration margin;

(c) United Nations/United States net remuneration margin: review of the methodology;

(d) Review of the salary structure: single versus dependency salary scales;

(e) Total compensation study: United Nations/comparator civil service;

(f) Diversity in the United Nations common system: study of recruitment policies;

(g) Children's and secondary dependant's allowances: review of the level;

(h) Review of the master standard for job evaluation for Professional posts (including the random sampling of jobs);

(i) Overview of the rental subsidy scheme (group I and group II duty stations);

(j) Methodology for the grade equivalency study;

(k) Report of the thirty-fourth session and agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions;

(l) Report of the thirty-fifth session and agenda for the thirty-sixth session of the Committee.

3. Conditions of service of the General Service and other locally recruited staff:

(a) Review of the General Service salary survey methodologies: overview of methodology II survey experience and salary adjustments at duty stations with fewer than 30 staff;

(b) Surveys of best prevailing conditions of employment at the following duty stations:

(i) Rome (including the service differential);

(ii) Paris;

(iii) Montreal;

(c) Implementation of the General Service job evaluation standards.

4. Conditions of service applicable to both categories of staff:

(a) Performance management: performance rewards and recognition;

(b) Standards of conduct;

(c) Education grant: review of the methodology;

(d) Education grant: review of the level;

(e) Exit interview report;

(f) Review of pensionable remuneration, including pension comparison methodology;

(g) Mandatory age of separation;

(h) Separation payments: guidelines for agreed termination;

(i) Mobility/hardship scheme: review of all headquarters (H) category and field duty stations;

(j) Contractual arrangements: review of the implementation of the three types of contracts and the phasing out of appointments of limited duration in the common system.

5. Conditions of service in the field:

(a) Accommodation portion of rest and recuperation travel;

(b) Danger pay for General Service staff: possibility of de-linking pay from salary scales;

(c) Progress report on the implementation of the General Assembly decisions on the harmonization of the conditions of service for staff serving in non-family duty stations;

(d) Review of the extended monthly security evacuation allowance.

6. Monitoring of the implementation of the decisions and recommendations of the International Civil Service Commission and the General Assembly by organizations of the United Nations common system.

7. Review of the ICSC framework for human resources management.

Annex II

Danger pay

Criteria

1. Danger pay is a special allowance established for internationally and locally recruited staff who are required to work in locations where very dangerous conditions prevail, comprising the following:

(a) Duty stations where United Nations staff, owing to the very fact of their association with, or employment by, an organization of the United Nations common system, are clearly, persistently and directly targeted or where premises are clearly, persistently and directly targeted, thus presenting an imminent and constant threat to staff and activities;

(b) Duty stations where United Nations staff or premises are at high risk of becoming collateral damage in a war or active armed conflict;

(c) Non-protected environments where medical staff are specifically at risk to their life when deployed to deal with public health emergencies as declared by the World Health Organization.

Roles and responsibilities

2. The Under-Secretary-General for Safety and Security will make recommendations on the application of danger pay according to the criteria set out in subparagraphs 1 (a) and (b) above to the Chair of the Commission, who, under delegated authority from the Commission, will take a final decision.

3. The Director-General of the World Health Organization will make recommendations on the application of danger pay according to the criterion set out in subparagraph 1 (c) above to the Chair of the Commission, who, under delegated authority from the Commission, will take a final decision.

Duration

4. Danger pay may normally be granted for periods of up to three consecutive months. The application of danger pay is lifted when dangerous conditions are deemed to have abated.

Payment

5. For both internationally and locally recruited staff, danger pay will be paid as a monthly sum. For internationally recruited staff, danger pay is payable for time away from the duty station on rest and recuperation travel and official duty travel up to a maximum of seven consecutive calendar days. Except as just noted, it is not payable for days spent away from the duty station in conjunction with annual leave or any type of special leave and official travel outside the duty station, including weekends and holidays falling during that period. For staff members who spend one complete month in the area where the allowance is applicable, the monthly sum is

paid irrespective of the number of days in the month. For periods of less than one month, the amount of danger pay is prorated on the basis of 365 days: the daily rate is calculated by dividing the annual amount by 365 days and multiplying the daily amount by the number of days actually spent at the duty station.

Annex III

Amounts payable under the mobility and hardship scheme, effective 1 January 2012

A. Mobility allowance

(Annual amounts in United States dollars)

Group 1 (P-1 to P-3)

Dependency status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	2 700	3 370
A	—	7 130	9 640	13 010
B	—	7 130	9 640	13 010
C	—	7 130	9 640	13 010
D	—	7 130	9 640	13 010
E	—	7 130	9 640	13 010

Single status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	2 020	2 520
A	—	5 350	7 240	9 760
B	—	5 350	7 240	9 760
C	—	5 350	7 240	9 760
D	—	5 350	7 240	9 760
E	—	5 350	7 240	9 760

Group 2 (P-4 and P-5)

Dependency status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	3 060	3 830
A	—	8 200	11 070	14 940
B	—	8 200	11 070	14 940
C	—	8 200	11 070	14 940
D	—	8 200	11 070	14 940
E	—	8 200	11 070	14 940

Single status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	2 310	2 870
A	—	6 160	8 310	11 210
B	—	6 160	8 310	11 210
C	—	6 160	8 310	11 210
D	—	6 160	8 310	11 210
E	—	6 160	8 310	11 210

Group 3 (D-1 and above)

Dependency status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	3 440	4 310
A	—	9 270	12 520	16 900
B	—	9 270	12 520	16 900
C	—	9 270	12 520	16 900
D	—	9 270	12 520	16 900
E	—	9 270	12 520	16 900

Single status

Duty station category	*Number of assignments*			
	1	*2-3*	*4-6*	*7+*
H	—	—	2 580	3 230
A	—	6 950	9 390	12 670
B	—	6 950	9 390	12 670
C	—	6 950	9 390	12 670
D	—	6 950	9 390	12 670
E	—	6 950	9 390	12 670

B. Hardship allowance

(Annual amounts in United States dollars)

	Group 1 (P-1 to P-3)		Group 2 (P-4 and P-5)		Group 3 (D-1 and above)	
Duty station category	*Dependency status*	*Single status*	*Dependency status*	*Single status*	*Dependency status*	*Single status*
H	—	—	—	—	—	—
A	—	—	—	—	—	—
B	5 810	4 360	6 970	5 230	8 140	6 100
C	10 470	7 840	12 780	9 590	15 110	11 340
D	13 950	10 470	16 280	12 210	18 590	13 950
E	17 440	13 080	20 920	15 690	23 250	17 440

C. Non-removal allowance

(Annual amounts in United States dollars)

	Group 1 (P-1 to P-3)		Group 2 (P-4 and P-5)		Group 3 (D-1 and above)	
Duty station category	*Dependency status*	*Single status*	*Dependency status*	*Single status*	*Dependency status*	*Single status*
H	2 150	1 620	2 700	2 020	3 230	2 420
A	2 150	1 620	2 700	2 020	3 230	2 420
B	2 150	1 620	2 700	2 020	3 230	2 420
C	2 150	1 620	2 700	2 020	3 230	2 420
D	2 150	1 620	2 700	2 020	3 230	2 420
E	2 150	1 620	2 700	2 020	3 230	2 420

D. Additional hardship allowance for service in non-family duty stations

(Annual amounts in United States dollars)

	Group 1 (P-1 to P-3)	Group 2 (P-4 and P-5)	Group 3 (D-1 and above)
With dependant	17 440	20 920	23 250
Single	6 540	7 845	8 720

Annex IV

Performance management framework

A. Purpose of the performance management framework

1. The purpose of the framework is to enhance organizational performance through individual performance improvement; establish a shared understanding of the critical success factors for performance in the organizations of the United Nations common system; cultivate trust in leadership; develop two-way feedback among staff and managers; place emphasis on career development; and make provisions for staff to understand their role in the success of the organization. The framework seeks to ensure that employees who perform exceptionally well are rewarded and those who do not perform well are provided with tools and challenged to perform better.

2. The emphasis of the framework is to create a values-based system through which a set of workplace values and behaviours are implemented that will motivate employees to succeed. The performance management framework seeks to reinforce the principles elaborated in the ICSC framework for human resources management (2000) and the United Nations core values of integrity, professionalism, respect for diversity, impartiality and accountability.

Definition

3. Performance management is a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the employees and developing the capabilities of teams and individual contributors. It is a strategic management technique that supports the overall objectives of the organization by linking each individual's work goals to the overall mission.

B. Guiding principles

- Provide for dialogue and employ the concept of continuing feedback
- Simple processes
- Shared objectives
- Taking results into account

C. Objectives

4. An effective performance management system has multiple benefits for the organization, ultimately resulting in the organization being better at what it does. It also makes work more satisfying for employees. The framework integrates organizational and individual planning and performance to deliver the following outcomes:

- Facilitating efficiency and effectiveness by maximizing and maintaining individual performance
- Engaging, developing and retaining staff at all levels of the organization
- Optimizing organizational results
- Creating value for Member States

D. Key players: roles and responsibilities

Stakeholder	Role and responsibilities
Executive management	The head of the organization is a key player in establishing the credibility of the performance management process. He or she should promote it as an organizational objective, hold managers responsible for effective performance management and also conscientiously evaluate the performance of those individuals who report to him or her.
Supervisors and line managers	Managers should be held accountable for creating a work environment that promotes communication and cooperation and engenders working methods that are efficient, effective, fair, impartial and transparent. They are responsible for the following: (a) The effective alignment and integration of individual performance and organizational goals; (b) Management of change: innovate, share and communicate a longer-term strategic vision; provide support to staff in decision-making; encourage risk-taking; model behaviour; and recognize contributions and achievements. Help staff members to see the bigger picture and to understand their roles relative to it; (c) Preparation of meaningful development plans and provision of opportunities to staff through training, succession planning and management, special projects and assignments, and mentoring.
Staff	A staff member should: (a) Ensure that he or she is familiar with the performance management system and framework; (b) Take all reasonable actions to be able to meet his or her objectives within the agreed time frame, discussing with the supervisor/manager any factor(s) impeding his or her performance at full capacity; (c) Accept responsibility for his or her own academic and/or professional development, as agreed in performance management meetings, including undertaking any development activities or taking forward any actions identified as being the responsibility of the staff member.
Human resources department	The human resources department: (a) Integrates the people strategies with the overall organizational strategies in a way that increases organizational productivity. This approach entails building skills and capabilities at a strategic level, and translating them into ongoing resourcing plans; (b) Plays the lead role in enabling the organization to choose high quality staff; (c) Guides the organization's investment in its people, supports their growth and development, and respects their needs; (d) Strategically, drives organizational values and directs all communication efforts as they relate to staff;

Stakeholder	Role and responsibilities
	(e) Supports line managers in designing challenging jobs; in the selection of high quality staff that includes a good match between the job and the staff member; and in managing effective teams.

E. Key enablers

5. Effective performance management is enabled by the following organizational requirements:

(a) *A culture of performance*. A results-oriented culture is a prerequisite for the implementation of a successful performance management strategy. The work environment and organizational culture must encourage and nurture performance improvements and innovation. In a performance culture, staff members have a clear understanding of what they should be doing. Their leaders give them the opportunity to make decisions, and there is a feeling of job ownership. A performance culture supports teamwork and collaboration and the growth and development of staff. Staff members are appreciated for their ideas and efforts while opportunities are provided to leverage or build skills and knowledge;

(b) *Good governance*. Staff should be managed respectfully through processes that are procedurally fair and transparent and that encourage flexibility and responsiveness in work arrangements to build trust within the organization;

(c) *High trust*. High trust in an organization is created by demonstrating such behaviours as respecting others, creating transparency, delivering results, clarifying expectations, practicing accountability, showing loyalty, listening first, keeping commitments and extending trust. Diminished trust in an organization diminishes employee engagement. Conditions that promote low trust in the workplace include micromanagement, hidden agendas, internal competition, unethical behaviour, withholding information, hostile relationships and bureaucracy;

(d) *Comprehensive communication strategy*. A comprehensive strategy is built on clear communication at all levels, including keeping staff members involved and engaged through ongoing dialogue with their supervisors/managers;

(e) *Useful, reliable data and technology*. Performance data gives insight into results. As such, there can be collaboration on more effective learning and development strategies for the organization. The leveraging of information drives results throughout the organization;

(f) *Effective processes*. Fair and just management processes for dealing with problems are important in raising levels of performance and are basic requirements under the framework;

(g) *Capable and motivated workforce*. All common system organizations have the obligation to hire people with the skills, knowledge, abilities and values that are in line with those of the United Nations system. Performance management approaches should recognize and promote diversity, while supporting fairness and equity;

(h) *Budget function*. Outcomes should be concretely linked to resources. Hence the budget process must be integrated with the performance management process, creating a strategic management framework. Performance budgeting or results-based management is one way by which this can be done. Results-based management focuses on improving organizational performance and focuses the entire organization on the same mission and goals.

F. Elements of the performance management process

6. The performance management process should include the elements set out below.

Organizational strategy

7. To operate a viable performance management programme, the organization's human resources strategy must be integrated with and aligned to the overall strategic direction of the organization. The performance management framework supports strategies that will hold people accountable for their performance.

Planning

8. Building a high performance culture requires planning, diligence and effort. Performance management is a part of the management structure of the organization. Ensuring that there is a clear line of sight for staff between their responsibilities and the objectives of the organization requires careful planning and is crucial to successful implementation of the process.

Assignment of work

9. *Job description and workplans*. Employees should have a clear understanding of what they should be doing. This requires solid job descriptions and a clear set of expectations so that staff members can understand that their individual goals are directly connected to the organization's goals.

10. *Induction*. The performance management process begins when the employee first enters the organization. It is important, through good induction processes, to ensure that new entrants are enabled to contribute effectively as quickly as possible. To accomplish this there should be a structured onboarding process that provides regular monitoring of a new staff member's performance.

11. *Training and development*. Managers should focus on staff development. Staff members should be supported in developing the skills and behaviours required for successful execution of their performance and longer-term work and career objectives.

G. Implementation

12. *Monitoring*. The framework provides for a fair, equal and open process for assessing, monitoring and reviewing performance.

13. *Feedback*. The framework provides for two-way honest, evidence-based feedback to enable monitoring and adjustment of performance.

14. *Evaluation*. Performance appraisal systems should be simple and transparent and should have clear targets. Measuring staff performance enables every staff member to see his/her contribution to organizational results. Performance ratings should be applied objectively and fairly and should reflect reality.

H. Recognition, incentives and rewards

15. A reward and recognition programme will help to create an environment for sustainable performance. The purpose of rewarding staff is to promote a culture of saying "thank you". Everybody likes recognition and appreciation for his or her efforts, and they need not always be expressed in formal ways. To create a culture of appreciation and celebration for both individual and team successes, managers/supervisors have a responsibility to encourage and recognize the valuable contributions of their staff. Staff with outstanding performance should be recognized and rewarded. Recognition should be based on merit and should be visible.

I. Managing challenges

Facing performance challenges

16. Managers should be willing to seriously address problems once they arise. Effective dialogue, regular feedback and coaching are important in identifying and resolving problems or weaknesses in performance. Those issues might be resolved if staff who are facing challenges in accomplishing their work goals and objectives are enabled to improve their skills and obtain the competencies necessary to meet expectations. Staff facing performance challenges may simply be in the wrong positions. Other areas of the organization might be more suitable to their competencies and skills. After honest discussions with the staff member, redeployment may be considered.

Performance improvement initiatives

17. Proactive intervention and positive support can result in improved performance. Staff members facing performance challenges should be given the opportunity to develop skills necessary to meet expectations in their existing positions. A performance improvement plan should be implemented to help the staff member better define goals and focus on his/her activities. Expectations should be clearly communicated so that the staff member knows precisely what (s)he needs to do to succeed in his/her current position. If improvements are not seen despite the manager's best efforts, the staff member should not be allowed to stagnate. In this instance, as with the challenges mentioned above, redeployment to another area of the organization where the staff member's skills are a better match may be explored. After all efforts have been made and no improvement is seen, the organization and the individual may need to part ways.

Ethics and managing conduct

18. Staff members are expected to comply fully with their organization's code of conduct, which outlines the responsibilities and proper practices of an individual. Conduct should also be managed well to allow staff to reach their full potential and contribute effectively towards achieving organizational goals. Management requires

a proactive approach which ensures that staff members are fully aware of their responsibilities.

Rebuttals

19. The staff member's right to due process should be protected. In all cases there should be a process of review that offers an opportunity for the staff member's views to be heard in instances in which the staff member believes the supervisor has not fairly evaluated the performance and should provide for examination of the consistency and accuracy of the supervisor's rating by a higher-level authority.

J. Monitoring and reviewing

20. There are a number of factors that influence the credibility of the performance management system. It is imperative that the system continue to seem fair. A review process is needed to facilitate greater consistency across various areas of the organization. Performance management systems should be reviewed and changed over time as the organizations evolve. This means regular reviewing and evaluating of the system's effectiveness.

Annex V

Salary scale for the Professional and higher categories and staff assessment to be used in conjunction with gross base salaries

A. Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment, effective 1 January 2012

(United States dollars)

Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG	gross	**191 491**														
	Net D	146 044														
	Net S	131 432														
ASG	gross	**174 214**														
	Net D	133 950														
	Net S	121 297														
D-2	gross	**143 282**	**146 278**	**149 275**	**152 370**	**155 494**	**158 619**									
	Net D	112 096	114 283	116 471	118 659	120 846	123 033									
	Net S	102 981	104 827	106 666	108 500	110 329	112 147									
D-1	gross	**131 101**	**133 733**	**136 359**	**138 990**	**141 623**	**144 252**	**146 885**	**149 514**	**152 236**						
	Net D	103 204	105 125	107 042	108 963	110 885	112 804	114 726	116 645	118 565						
	Net S	95 394	97 062	98 728	100 388	102 047	103 702	105 349	106 996	108 638						
P-5	gross	**108 773**	**111 010**	**113 249**	**115 485**	**117 725**	**119 960**	**122 201**	**124 438**	**126 677**	**128 915**	**131 153**	**133 390**	**135 630**		
	Net D	86 904	88 537	90 172	91 804	93 439	95 071	96 707	98 340	99 974	101 608	103 242	104 875	106 510		
	Net S	80 734	82 186	83 633	85 079	86 524	87 963	89 402	90 838	92 272	93 703	95 132	96 556	97 981		
P-4	gross	**89 568**	**91 616**	**93 662**	**95 709**	**97 758**	**99 804**	**101 955**	**104 114**	**106 274**	**108 432**	**110 595**	**112 751**	**114 911**	**117 073**	**119 233**
	Net D	72 467	74 044	75 620	77 196	78 774	80 349	81 927	83 503	85 080	86 655	88 234	89 808	91 385	92 963	94 540
	Net S	67 483	68 918	70 354	71 784	73 215	74 645	76 074	77 500	78 924	80 349	81 770	83 191	84 612	86 030	87 447
P-3	gross	**73 495**	**75 390**	**77 286**	**79 179**	**81 077**	**82 970**	**84 864**	**86 762**	**88 657**	**90 552**	**92 449**	**94 342**	**96 240**	**98 134**	**100 029**
	Net D	60 091	61 550	63 010	64 468	65 929	67 387	68 845	70 307	71 766	73 225	74 686	76 143	77 605	79 063	80 521
	Net S	56 091	57 433	58 777	60 118	61 462	62 803	64 143	65 488	66 828	68 170	69 508	70 847	72 182	73 521	74 859
P-2	gross	**60 157**	**61 853**	**63 547**	**65 244**	**66 939**	**68 632**	**70 330**	**72 022**	**73 718**	**75 416**	**77 109**	**78 805**			
	Net D	49 821	51 127	52 431	53 738	55 043	56 347	57 654	58 957	60 263	61 570	62 874	64 180			
	Net S	46 730	47 915	49 096	50 279	51 461	52 645	53 847	55 046	56 251	57 452	58 650	59 854			
P-1	gross	**46 951**	**48 448**	**49 936**	**51 564**	**53 190**	**54 818**	**56 449**	**58 081**	**59 705**	**61 335**					
	Net D	39 439	40 696	41 946	43 204	44 456	45 710	46 966	48 222	49 473	50 728					
	Net S	37 202	38 359	39 516	40 671	41 827	42 982	44 138	45 280	46 416	47 553					

B. Staff assessment to be used in conjunction with gross base salaries

1. Staff assessment rates for those with dependants

(United States dollars)

Assessable income	*Assessment rate (percentage)*
First 50 000	16
Next 50 000	23
Next 50 000	27
Remaining assessable amount	30

2. Staff assessment rates for those without dependants

Staff assessment amounts for those with neither a dependent spouse nor a dependent child would be equal to the difference between the gross salaries at different grades and steps and the corresponding net salaries at the single rate.

Annex VI

Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2011)

Grade	Net remuneration (United States dollars)		United Nations/United States ratio (United States, Washington, D.C. = 100)	United Nations/United States ratio adjusted for cost-of-living differential	Weights for calculation of overall ratio[c]
	United Nations[a,b]	United States			
P-1	72 548	51 684	140.4	124.5	0.3
P-2	90 891	66 492	136.7	121.3	8.0
P-3	111 560	86 016	129.7	115.1	26.9
P-4	133 225	104 353	127.7	113.3	32.9
P-5	155 736	120 433	129.3	114.7	22.6
D-1	178 199	138 632	128.5	114.0	7.1
D-2	192 160	143 342	134.1	119.0	2.2
Weighted average ratio before adjustment for New York/Washington, D.C., cost-of-living differential					129.5
New York/Washington, D.C., cost-of-living ratio					112.7
Weighted average ratio, adjusted for cost-of-living differential					114.9

[a] Average United Nations net salaries at dependency level by grade, reflecting seven months at multiplier 61.3 and five months at multiplier 65.7 on the basis of the salary scale in effect from 1 January 2011.

[b] For the calculation of the average United Nations salaries, personnel statistics of the United Nations System Chief Executives Board for Coordination as at 31 December 2010 were used.

[c] These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at headquarters and established offices as at 31 December 2010.

Annex VII

Status of geographical distribution in organizations with desirable ranges

Member States unrepresented in three or more organizations with established desirable ranges

Region	*Country*	*United Nations*	*ILO*	*FAO*	*UNESCO*	*WHO*	*UNIDO*
Africa	Central African Republic		X		X		X
	Equatorial Guinea		X	X			X
	Eritrea		X	X			X
	Gabon		X		X		X
	Lesotho				X	X	X
	Liberia		X		X		X
	Seychelles		X			X	X
	Somalia		X	X			X
	Swaziland		X			X	X
Asia and the Pacific	Azerbaijan		X		X		X
	Bahrain		X	X			X
	Brunei Darussalam		X		X	X	
	Cambodia		X	X			X
	Kiribati	X	X	X	X	X	
	Democratic People's Republic of Korea	X		X		X	X
	Kuwait	X	X	X	X	X	X
	Maldives		X	X			X
	Marshall Islands	X	X	X	X		
	Micronesia (Federated States of)			X	X	X	
	Myanmar		X	X	X		X
	Nauru	X		X	X	X	
	Niue			X	X	X	
	Oman		X	X		X	X
	Palau	X		X	X	X	
	Papua New Guinea						
	Qatar		X	X	X	X	X
	Samoa		X			X	X
	Saudi Arabia		X		X		X
	Solomon Islands		X	X	X		
	Timor-Leste	X	X	X	X		X
	Turkmenistan		X	X	X		
	Tuvalu		X	X	X	X	

Region	*Country*	*United Nations*	*ILO*	*FAO*	*UNESCO*	*WHO*	*UNIDO*
	United Arab Emirates	X	X	X	X	X	X
	Vanuatu	X	X		X	X	X
Europe	Luxembourg				X	X	X
	Malta		X	X		X	
	Monaco			X		X	X
	Montenegro		X	X	X	X	X
	Iceland		X		X	X	
	San Marino		X	X		X	
Latin America and the Caribbean	Antigua and Barbuda		X		X	X	
	Bahamas		X	X	X		X
	Belize		X	X	X		X
	Grenada		X	X		X	X
	Guyana		X		X		X
	Paraguay		X		X	X	X
	Saint Kitts and Nevis		X			X	X
	Saint Lucia		X			X	X
	Saint Vincent and the Grenadines		X	X	X	X	X
	Suriname			X	X	X	X

Member States underrepresented in three or more organizations with established desirable ranges

Region	*Country*	*United Nations*	*ILO*	*FAO*	*UNESCO*	*WHO*	*UNIDO*
Asia and the Pacific	China		X	X	X	X	
	Indonesia			X	X		X
	Iran (Islamic Republic of)	X		X	X		
	Japan	X	X	X		X	X
	Republic of Korea	X	X	X		X	
	Saudi Arabia	X		X		X	
Europe	Finland	X		X			X
	Norway	X		X			X
	Poland	X		X	X		
North America	United States of America	X	X	X	X		

Member States overrepresented in three or more organizations with established desirable ranges

Region	*Country*	*United Nations*	*ILO*	*FAO*	*UNESCO*	*WHO*	*UNIDO*
Africa	Burundi		X		X	X	
	Cameroon	X	X		X	X	
	Egypt	X				X	X
	Ethiopia	X			X	X	
	Kenya	X	X		X		
	Morocco		X	X	X		
	Senegal		X		X	X	
	South Africa	X	X			X	
	Tunisia		X	X	X	X	
	Uganda	X	X			X	
	Zimbabwe	X	X			X	
Asia and the Pacific	India		X	X		X	X
	Jordan		X		X	X	
	Lebanon	X	X			X	
	New Zealand		X		X	X	
	Philippines	X	X	X	X	X	X
	Sri Lanka		X			X	X
Europe	Belgium		X	X	X	X	X
	Bulgaria	X	X	X			
	Denmark		X		X	X	
	France		X		X	X	
	Germany		X			X	X
	Ireland			X	X	X	
	Netherlands		X	X		X	X
	Spain		X		X	X	
Latin America and the Caribbean	Argentina	X	X		X		
	Colombia		X		X	X	
	Peru		X		X	X	

Note: ILO, International Labour Organization; FAO, Food and Agriculture Organization of the United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; WHO, World Health Organization; UNIDO, United Nations Industrial Development Organization.

Annex VIII

Revised rest and recuperation framework, effective 1 January 2012

Frequency cycle	*Conditions*
4 weeks	Extreme emergency situations • Where danger pay is authorized by the Chair of the International Civil Service Commission
6 weeks	Exceptional and temporary situations in non-family/restricted duty stations • Active conflict • Natural disasters and other similar extreme situations
8 weeks	Non-family/restricted duty stations • All duty stations declared by the Department of Safety and Security as restricted for all eligible dependants for security reasons • All duty stations designated as non-family by the Chair of the International Civil Service Commission
12 weeks	Duty stations with high levels of hardship • Non-capital duty stations with a hardship classification of D or E • Exceptional cases of category E capital cities

Annex IX

Unified special operations living allowance rates for non-family duty stations

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
Afghanistan	Bamyan	UNICEF	3 240	n/a	3 240
		WFP	3 240	n/a	3 240
	Daikundi	WFP	3 240	n/a	3 240
	Faizabad	WFP	3 240	2	3 240
	Gardez	UNHCR	3 240	1	3 240
	Herat	UNHCR	3 240	2	3 240
		UNICEF	3 240	3	3 240
		WFP	3 240	2	3 240
	Jalalabad	UNHCR	3 240	3	3 240
		UNICEF	3 240	3	3 240
		WFP	3 240	1	3 240
	Kabul	UNDP	3 240	33	3 240
		UNFPA	3 240	7	3 240
		UNOPS	3 240	18	3 240
		UNHCR	3 240	19	3 240
		UNICEF	3 240	40	3 240
		ILO	2 430	1	3 240
		FAO	3 240	7	3 240
		WFP	3 240	29	3 240
		WHO	3 240	8	3 240
	Kandahar	UNHCR	3 240	2	3 240
		UNICEF	3 240	2	3 240
		WFP	3 240	4	3 240
	Maymana	WFP	3 240	n/a	3 240
	Mazar-e-Sharif	UNHCR	3 240	3	3 240
		UNICEF	3 240	3	3 240
		WFP	3 240	2	3 240
Algeria	Tindouf	UNHCR	2 475	7	2 475
		WFP	3 308	1	2 475
Burundi	Bujumbura	UNDP	3 750	19	SOLA phased out
		UNFPA	3 750	1	
		UNOPS	3 750	1	
		UNHCR	3 900	12	
		UNICEF	3 600	22	

Country	Duty station	Organization[a]	SOLA (United States dollars/month as at 1 June 2011)	Number of staff[b]	Proposed unified SOLA monthly rate
		FAO	3 750	3	
		WFP	3 750	10	
		WHO	3 750	4	
	Makamba	UNHCR	3 900	3	
	Muyinga	UNHCR	3 900	5	
	Ngozi	WFP	2 003	1	
	Ruyigi	UNHCR	3 900	1	
Central African Republic	Bossangoa/Soumbe	UNICEF	884	1	855
	Kaga-Bandoro	UNHCR	3 450	1	855
		UNICEF	884	1	855
	Paoua	UNHCR	3 450	1	855
		WFP	855		855
Chad	Abeche	UNOPS	5 940	3	5 300
		UNHCR	5 320	2	5 300
		UNICEF	5 280	6	5 300
		WFP	5 940	10	5 300
	Amleyouna	UNHCR	5 320	1	5 300
	Bahia	UNHCR	5 320	3	5 300
		WFP	5 940	n/a	5 300
	Farchana	UNHCR	5 320	7	5 300
		WFP	5 940	1	5 300
	Gore	UNHCR	5 320	8	5 300
		WFP	5 940		5 300
	Gozbeida	UNHCR	5 320	7	5 300
		UNICEF	5 280	1	5 300
		WFP	5 940	1	5 300
	Guereda	UNHCR	5 320	3	5 300
		WFP	5 940	1	5 300
	Haraze	UNHCR	5 320	4	5 300
	Iriba	UNHCR	5 320	6	5 300
		WFP	5 940	1	5 300
	Koukou	UNHCR	5 320	3	5 300
		WFP	5 940	1	5 300
	Mao	WFP	5 940	n/a	5 300
	Maro	UNHCR	5 320	1	5 300
	Mongo	WFP	5 940	n/a	5 300
	N'Djamena	UNDP	4 170	7	5 300
		UNFPA	4 170	5	5 300

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
		UNHCR	5 320	25	5 300
		UNICEF	5 280	20	5 300
		FAO	4 170	1	5 300
		WFP	5 940	21	5 300
		WHO	5 635	5	
Colombia	Arauca	UNHCR	2 115	1	2 115
	Mocoa	UNHCR	2 115	1	2 115
Côte d'Ivoire	Abidjan	UNDP	3 808	7	4 050
		UNFPA	4 216	1	4 050
		UNOPS	4 019	1	4 050
		UNHCR	4 230	8	4 050
		UNICEF	4 260	16	4 050
		FAO	4 020	2	4 050
		WFP	4 020	4	4 050
		WHO	3 660	4	4 050
	Guiglo	UNHCR	4 230	1	4 050
	Man	UNHCR	4 230	1	4 050
	Tabou	UNHCR	4 230	1	4 050
Democratic Republic of the Congo	Baraka	UNHCR	4 920	2	4 920
	Beni	UNHCR	4 920	1	4 920
	Bukavu	UNDP	4 920	3	4 920
		UNOPS	4 920	1	4 920
		UNHCR	4 920	6	4 920
		UNICEF	4 920	1	4 920
		WFP	4 920	3	4 920
	Bunia	UNDP	4 920	2	4 920
		UNOPS	4 920	1	4 920
		UNHCR	4 920	5	4 920
		UNICEF	4 920	n/a	4 920
		WFP	4 920	4	4 920
	Dongo	UNHCR	4 920	1	4 920
	Dungu	UNHCR	4 920	2	4 920
		WFP	4 920	n/a	4 920
	Goma	UNDP	4 920	3	4 920
		UNFPA	4 920	2	4 920
		UNOPS	4 920	4	4 920
		UNHCR	4 920	17	4 920
		UNICEF	4 920	15	4 920

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
		WFP	4 920	6	4 920
		WHO	4 920	1	4 920
	Kalemie	WFP	4 920	2	4 920
	Kindu	WFP	4 920	1	4 920
	Kinshasa	UNDP	4 920	29	4 920
		UNFPA	4 920	8	4 920
		UNOPS	4 920	12	4 920
		UNHCR	4 920	30	4 920
		UNICEF	4 920	46	4 920
		ILO	3 690	1	4 920
		FAO	4 920	5	4 920
		WFP	4 920	22	4 920
		WHO	4 920	6	4 920
	Kisangani	UNDP	4 920	2	4 920
		UNOPS	4 920	1	4 920
		FAO	4 920	1	4 920
	Kitchanga	UNHCR	4 920	1	4 920
	Libenge	UNHCR	4 920	1	4 920
	Lubumbashi	UNOPS	4 920	1	4 920
	Mbandaka	WFP	4 920	1	4 920
	Mbuji-Mayi	UNDP	4 920	1	4 920
	Moba	UNHCR	4 920	2	4 920
	Uvira	UNHCR	4 920	2	4 920
Ecuador	Lago Agrio (Sucumbios)	UNHCR	2 160	3	2 160
Ethiopia	Awassa/Sidamo	UNICEF	810	1	1 350
		WFP	1 170	1	1 350
	Dese	WFP	1 350	1	1 350
	Dire Dawa	WFP	1 170	1	1 350
	Dolo Ado	UNHCR	2 400	3	1 350
	Gambella	UNHCR	2 400		1 350
		UNICEF	810	1	1 350
		WFP	1 350	1	1 350
	Gode	WFP	1 350	2	1 350
	Jijiga	UNDP	1 169	1	1 350
		UNHCR	2 400	4	1 350
		UNICEF	810	3	1 350
		WFP	1 350	3	1 350
	Mekele	WFP	1 170	1	1 350

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
	Semera	UNICEF	810	n/a	1 350
	Shire Endaselassie	UNHCR	2 400	4	1 350
Gaza Strip	Gaza Town	UNDP	2 813	2	4 320
		UNOPS	4 320	2	4 320
		UNICEF	3 870	2	4 320
		WFP	4 320	2	4 320
	Gaza City	FAO	4 320	1	4 320
Georgia	Gali	UNHCR	2 100	4	2 340
Guinea	Conakry	UNDP	5 308	6	5 310
		UNFPA	5 310	4	5 310
		UNHCR	3 622	3	5 310
		UNICEF	5 310	10	5 310
		FAO	6 323	3	5 310
		WFP	6 323	5	5 310
		WHO	5 310	4	5 310
	Nzerekore	UNHCR	3 622	3	1 755
		WFP	1 755	2	1 755
Haiti	Cap Haitien	WFP	4 500	1	4 500
	Gonaives	FAO	4 500	1	4 500
		WFP	4 500	2	4 500
	Jacmel	FAO	4 500	1	4 500
		WFP	4 500	1	4 500
	Leogane	WFP	4 500	n/a	4 500
	Port-au-Prince	UNDP	4 500	11	4 500
		UNFPA	4 500	6	4 500
		UNOPS	4 500	1	4 500
		UNHCR	4 500	4	4 500
		UNICEF	4 500	82	4 500
		ILO	3 375	3	4 500
		FAO	4 500	3	4 500
		WFP	4 500	12	4 500
	Les Cayes	WFP	4 500	n/a	4 500
Iraq	Ramadi	UNDP	3 180	2	4 080
	Arbil/Kirkuk	UNDP	2 910	1	4 080
		UNHCR	4 080	4	4 080
		UNICEF	4 080	2	4 080
		WFP	4 080	1	4 080
	Baghdad	UNDP	3 180	6	4 080

Country	Duty station	Organization[a]	SOLA (United States dollars/month as at 1 June 2011)	Number of staff[b]	Proposed unified SOLA monthly rate
		UNFPA	3 180	1	4 080
		UNOPS	3 180	6	4 080
		UNHCR	4 080	15	4 080
		UNICEF	4 080	14	4 080
		ILO	8 055	1	4 080
		WFP	4 080	3	4 080
	Basrah	UNHCR	4 080	2	4 080
	Mosul	UNHCR	4 080	1	4 080
Kenya	Dadaab	UNHCR	3 390	23	3 390
		WFP	2 228	1	3 390
	Kakuma	UNHCR	3 390	7	3 390
		WFP	2 228	1	3 390
	Kisumu	UNHCR	3 390	1	3 390
	Lokichokio	WFP	2 520	2	3 390
	Nakuru	UNHCR	3 390	1	3 390
Liberia	Monrovia	UNDP	3 840	26	3 840
		UNFPA	3 840	4	3 840
		UNHCR	4 020	10	3 840
		UNICEF	4 020	19	3 840
		ILO	2 880	1	3 840
		FAO	3 840	1	3 840
		WFP	3 840	7	3 840
		WHO	3 840	4	3 840
	Saclepea	UNHCR	4 020	7	3 840
		WFP	3 840	n/a	3 840
Myanmar	Maungdaw	UNHCR	2 910	4	2 910
Nepal	Damak	UNHCR	2 430	7	2 340
Pakistan	Islamabad	UNDP	2 220	10	2 220
		UNFPA	2 220	4	2 220
		UNHCR	2 600	30	2 220
		UNICEF	2 250	41	2 220
		ILO	1 665	2	2 220
		FAO	2 220	3	2 220
		WFP	2 220	10	2 220
	Karachi	UNICEF	2 250	8	2 220
		FAO	2 220	2	2 220
		WFP	2 220	1	2 220
	Lahore	UNICEF	2 250	3	2 220

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
	Multan	WFP	2 220	n/a	2 220
	Peshawar	UNHCR	2 600	10	2 220
		UNICEF	2 250	6	2 220
		WFP	2 220	4	2 220
	Quetta	UNDP	2 220	1	2 220
		UNHCR	2 600	5	2 220
		UNICEF	2 250	2	2 220
	Sukkur	UNHCR	2 600	1	2 220
		WFP	2 220	n/a	2 220
Philippines	Cotabato City	WFP	2 837	n/a	2 837
Russian Federation	Vladikavkaz	UNHCR	2 205	4	2 205
		UNICEF	3 450	1	2 205
Serbia	Gnjilane	UNHCR	2 906	1	2 906
	Mitrovica	UNHCR	2 906	1	2 906
	Pec	UNHCR	2 906	1	2 906
	Pristina	UNDP	2 955	7	2 906
		UNHCR	2 906	5	2 906
		UNICEF	2 930	4	2 906
		FAO	2 190	1	2 906
		WHO	2 959	1	2 906
	Prizren	UNDP	2 955	1	2 906
		UNHCR	2 906	n/a	2 906
Somalia	Baidoa	UNOPS	3 000	1	3 000
		UNICEF	3 000	n/a	3 000
	Beledweyne	WFP	3 000	1	3 000
	Berbera	WFP	3 000	n/a	3 000
	Boosaaso (Bender Cassim)	UNHCR	3 000	1	3 000
		UNICEF	3 000	4	3 000
		WFP	3 000	2	3 000
	Buale	WFP	3 000	3	3 000
	Gaalkacyo	UNHCR	3 000	3	3 000
		UNICEF	3 000	5	3 000
		WFP	3 000	n/a	3 000
	Garowe	UNDP	3 000	2	3 000
		UNFPA	1 590	1	3 000
		UNHCR	3 000	1	3 000
	Hargeisa	UNDP	3 000	2	3 000
		UNHCR	3 000	2	3 000

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
		UNICEF	3 000	12	3 000
		WFP	3 000	1	3 000
	Jowhar	UNICEF	3 000	n/a	3 000
	Merca/Shalambot	WFP	3 000	5	3 000
	Mogadishu	UNDP	3 000	2	3 000
		UNOPS	3 000	1	3 000
		UNHCR	3 000	9	3 000
		UNICEF	3 000	1	3 000
		WFP	3 000	n/a	3 000
	Wajid	WFP	3 000	3	3 000
Sri Lanka	Batticaloa	UNHCR	3 195	1	1 238
		UNICEF	1 103	2	1 238
		WFP	n/a	1	1 238
	Jaffna	UNHCR	3 195	3	1 238
		UNICEF	945	1	1 238
		WFP	1 238	1	1 238
	Kilinochchi	UNHCR	3 195	2	1 238
		UNICEF	945	1	1 238
		WFP	1 238	1	1 238
	Mannar	UNHCR	3 195	2	1 238
	Trincomalee	UNDP	3 218	1	1 238
		UNHCR	3 195	1	1 238
		UNICEF	1 103	n/a	1 238
		WFP	n/a	1	1 238
	Vavuniya	UNDP	3 218	1	1 238
		UNHCR	3 195	3	1 238
		UNICEF	945	2	1 238
		ILO	928	1	1 238
		WFP	1 238	2	1 238
Sudan	Abyei	UNDP	4 080	4	4 080
		UNHCR	4 080	1	4 080
		WFP	4 080	1	4 080
	Aweil	UNHCR	4 080	1	4 080
		WFP	4 080	1	4 080
	Bentiu	UNHCR	4 080	1	4 080
	Bor	UNDP	4 080	1	4 080
		UNHCR	4 080	4	4 080
		WFP	4 080	1	4 080

Country	Duty station	Organization[a]	SOLA (United States dollars/month as at 1 June 2011)	Number of staff[b]	Proposed unified SOLA monthly rate
	Damazine	UNDP	4 080	1	4 080
	Darfur	UNDP	4 290	n/a	4 290
	Ed Daein	WFP	4 290	1	4 290
	El Fasher	UNDP	4 080	2	4 290
		UNFPA	4 080	2	4 290
		UNOPS	4 290	3	4 290
		UNHCR	4 290	6	4 290
		UNICEF	4 290	8	4 290
		FAO	4 080	1	4 290
		WFP	4 290	12	4 290
	El Geneina	UNFPA	4 290	1	4 290
		UNOPS	4 080	2	4 290
		UNHCR	4 290	10	4 290
		UNICEF	4 290	5	4 290
		WFP	4 290	9	4 290
	Gereida	WFP	4 080	1	4 290
	Habila	WFP	4 290	1	4 080
	Juba	UNDP	4 080	41	4 080
		UNFPA	4 080	1	4 080
		UNOPS	4 290	16	4 080
		UNHCR	4 080	22	4 080
		UNICEF	4 080	35	4 080
		ILO	3 060	1	4 080
		FAO	4 080	9	4 080
		WFP	4 080	18	4 080
		WHO	4 080	3	4 080
	Kabkabiya	WFP	4 080	1	4 080
	Kadugli	UNDP	4 080	2	4 080
		UNOPS	4 080	2	4 080
		UNHCR	4 080	3	4 080
		UNICEF	4 080	3	4 080
		FAO	4 080	1	4 080
		WFP	4 080	1	4 080
	Kass	UNHCR	4 290	1	4 290
		WFP	4 290	1	4 290
	Kassala	UNOPS	4 080	2	4 080
	Khartoum	UNFPA	4 080	1	4 080
		UNOPS	n/a	18	4 080

Country	Duty station	Organization[a]	SOLA (United States dollars/month as at 1 June 2011)	Number of staff[b]	Proposed unified SOLA monthly rate
		UNICEF	4 080	41	4 080
		WHO	4 080	6	4 080
	Kuajok	UNHCR	4 080	1	4 080
	Kutum	UNDP	4 080	3	4 290
		WFP	4 290	1	4 290
	Malakal	UNOPS	4 080	1	4 080
		UNHCR	4 080	2	4 080
		UNICEF	4 080	3	4 080
		WFP	4 080	2	4 080
	Morni	UNHCR	4 290	2	4 290
		WFP	4 290	1	4 290
	Mukjar	UNHCR	4 290	2	4 290
		WFP	4 290	1	4 290
	Nyala	UNOPS	4 290	2	4 290
		UNHCR	4 290	3	4 290
		UNICEF	4 290	5	4 290
		WFP	4 290	11	4 290
	Rumbek	UNHCR	4 080	1	4 080
		WFP	4 080	1	4 080
	Torit	UNHCR	4 080	5	4 080
	Wau	UNDP	4 080	1	4 080
		UNOPS	4 080	1	4 080
		UNICEF	4 080	4	4 080
		WFP	4 080	2	4 080
	Yambio	UNHCR	4 080	1	4 080
	Yei	UNHCR	4 080	3	4 080
	Zalingei	WFP	4 290	1	4 290
Uganda	Kotido	WFP	2 250	1	2 250
	Moroto	UNDP	2 257	1	2 250
		UNICEF	2 245	5	2 250
		WFP	2 250	2	2 250
West Bank	Elsewhere in West Bank	UNOPS	2 948	1	2 948
	Ramallah	UNOPS	2 948	1	2 948
Yemen	Aden	UNDP	3 268	1	3 352
		UNHCR	3 260	8	3 352
		WFP	3 353		3 352
	Amran	UNHCR	3 260	1	3 260
	Harad	UNDP	3 268	1	3 260

Country	*Duty station*	*Organization*[a]	*SOLA (United States dollars/month as at 1 June 2011)*	*Number of staff*[b]	*Proposed unified SOLA monthly rate*
		UNHCR	3 260	1	3 260
	Kharaz	UNHCR	3 260	1	3 260
	Sa'dah	UNHCR	3 260	1	3 260
	Sana'a	UNDP	3 268	47	3 260
		UNHCR	3 260	8	3 260
		UNICEF	2 925	15	3 260
		ILO	2 194	1	3 260
		FAO	2 925	1	3 260
		WFP	2 925	9	3 260
	Seiyun	UNDP	3 268	2	3 260
Total				**1 881**	

Note: "n/a" indicates "not applicable".

Abbreviations: SOLA, special operations living allowance; SOA, special operations approach; UNICEF, United Nations Children's Fund; WFP, World Food Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNFPA, United Nations Population Fund; UNOPS, United Nations Office for Project Services; ILO, International Labour Organization; FAO, Food and Agriculture Organization of the United Nations; WHO, World Health Organization; UNDP, United Nations Development Programme.

[a] UNDP, UNFPA, UNOPS, UNHCR, UNICEF, ILO, FAO and WFP: organizations that provided data during 1 June 2011 data collection.

[b] UNHCR, UNICEF and ILO: organizations with updated staff data.

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